

Saturday Night

Canada's Magazine of Business and Contemporary Affairs

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Behind the Scenes Look at the Budget

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INSIDE STORY

THE COVER: Minister of Finance **Donald Fleming** flourishes his "budget". This year it will give him—and possibly the country—a greater headache than ever.

Once one budget has been delivered to the House of Commons, the ritual dance of the civil servants concerned with preparations of another starts anew. **R. U. Mahaffy**, Financial Editor of the *Ottawa Journal*, describes the intricate procedure which has one end result—how the Government will spend your money.

Ernest Watkins, who constitutes the total Progressive Conservative Opposition in the Alberta Legislature and who was, before he came to Canada, Associate Editor of the *London Economist*, reviews last month's Tory annual meeting at Ottawa. Understandably, he feels that there was a deeper significance to this love feast than was apparent to the rest of the country.

Donald Gordon, CBC correspondent in London, has been consulting some of the old colonial hands there about Canada's new—and they feel immature—love affair with the Afro-Asians. Disillusionment is in store for the romance, they say, but Ottawa may recover from its puppy love.

Former correspondent there, **Peter Stursberg** recently revisited the United Nations and describes the new atmosphere in the Assembly as the colored nations feel their power.

Continuing his popular series on "The Law and You" Professor **J. D. Morton** of Osgoode Hall Law School, tells how the supposition that parties to a contract are equal is often far from the case . . . writing from Australia. **Harry E. Mercer** draws the troubled parallel between that country's aborigines and Canada's Eskimo population . . . **A. L. Stevenson** describes playing the stock market as one of the most fascinating games that men have invented . . . **Mary Lowrey Ross** finds that the film *Exodus* makes no great dramatic demand on its illustrious roll of actors but that they are dialecticians to a man.

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Letters

"Voice of Experience"

I read with profound interest the article by Charles de Verteuil pointing out the discrepancies of *Exodus* and its fictional parody of history in the chapters denouncing British "barbarism".

I myself occupied a not unimportant position in British Intelligence in Palestine during much of the period that Uris of Hollywood was notably absent from the scene (indeed, I find it hard to believe that he was ever there), and I can state unequivocally that the chapters dealing with alleged British actions are not only wholly false, but that the compilation of them denotes a sordidly evil purpose.

Seventy-five per cent of *Exodus* is true—and I refer to the events in Europe—but the remaining and most "dramatic" twenty-five per cent is a purposeful distortion written in order that the book might afford a continuous pattern of oppression and barbarity and thus become the best-shocker that it is. To cover any official British reaction to the travesty, Uris' publishers or producers are clever enough to small-print the book and film as fiction.

I myself am, and have been, in the employ of several presidents of Jewish-owned companies in Canada, whose honesty, fairness, generosity and friendliness has always been above question. But their children are reading *Exodus* as a Bible, and it is greatly to de Verteuil's credit that he has the bravery to stand and denounce the damage which such wide popularity of the Big Lie can still do.

Neither de Verteuil's evidence from Cyprus nor mine from Palestine can be fully understood unless a greater understanding of the forces involved is available. I shall seek to summarise them.

The *Haganah* was established as an official underground army to help defend Jewish agricultural communities from occasional and sudden Arab attacks when its leaders felt that the patrols of the mixed Palestine Police Force were inadequate. It was a "respectable" force, and the British were often in more or less open connivance at its actions. Indeed, neutral British troops were frequently in rather em-

barrassing co-operation with it when Arab attacks were serious.

The *Palmach* comprised shock units of the *Haganah* which carried out retributory raids on the Arabs and had a special detachment, called the *Palyam*, to help immigrants ashore from such ships as carried persons in excess of the officially permitted quota (remembering that the British were specifically mandated to "protect the civil and religious liberties of the Arab population" while assisting in the establishment of a Jewish Home). With these units British troops occasionally had to engage in open, if reluctant, conflict.

The *Irgun Zvai Leumi* was quite another matter. It was an extremist organization of terrorists, disowned by the official Jewish Agency, disapproved by the *Haganah*, and in constant and violent conflict with British authorities. It dealt mostly in arson and bombing, but also in the recruitment of would-be terrorists from the Cyprus refugee camps—to prevent which rigorous measures had eventually to be taken, to the considerable discomfort of the camps' occupants.

The *Stern Gang*, which was a band of organized, professional, and often successful, assassins, did more than any other organization to embitter relations between the Jewish and British authorities.

It is these last two organizations which are concealed under the respectable historical name of "Maccabees" in the book *Exodus*. As de Verteuil points out, the *Irgun's* chief, Menachem Begin, has appointed himself self-styled "Commander-in-chief" of the Jewish Liberation (of course) Army (sic), and is now cashing in on the success of *Exodus* amongst those in Canada and the United States who are not aware of the true story.

Lest it be thought that de Verteuil or I are seeking to whitewash British action by denouncing Jewish terrorist organizations, may I mention that a well-known former leader of a *Haganah* active brigade, now in Canada, agreed to write with me a denunciation of the distortions in *Exodus* in an article for the *Toronto Telegram*, and stated:

"It is inconceivable to me that, in some quarters, terrorists should be given the credit as being a deciding factor for

the British decision to withdraw from the country that currently widely-read literature is creating an entirely wrong impression about the importance of the role the terrorists played in the establishment of the State of Israel. At the same time this literature is giving an entirely unfair view of Britain's role, bringing out the friction between Britain and the Jewish people without acknowledging the vital and generally friendly role that Britain did play."

The *Exodus* which Mr. Uris writes about in fiction may one day have another non-fictional chapter to add. Israel has been officially at war with the Arabs ever since the British left that unfortunate country, and the Arab population of the Middle East has promised a second *Exodus*, involving the driving of the Jews into the sea and the return of the dispossessed Arab refugees, still numbering nearly a million.

Adequate forces to accomplish this may very soon exist, particularly if a certain outside Power should support the venture. I have no doubt that, if such an eventuality arose, Britain (as part of the UN) would be called upon once more to step on to Israeli shores (if American readers of *Exodus* will allow it!). She will, I am sure, do so as of moral right, obligation and loyalty.

But one is tempted to wonder whether Uris will, in such a case, draw royalties from a new fictional history in dollars or in roubles?

TORONTO

C. H. DEWHURST
(Brigadier Reid)

"Terror Begets Terror"

Charles de Verteuil is guilty of the same "distortions, half-truths and torturing of facts" of which he accuses Leon Uris. In his attempt to set forth the true facts (de Verteuil is one of the few men in possession of them) he attacks Uris' interpretation of the Balfour Declaration as dishonest.

What then is an honest interpretation? The best answer can come only from the framers of the Declaration and the Palestine Mandate. Before the Palestine Royal Commission of 1931, David Lloyd George, who was the Prime Minister of the government

which issued the Declaration, said of it four:

"As to the meaning of the words 'National Home' to which the Zionists attach so much importance he understood it to mean some form of British, American or other protectorate under which full facilities would be given to the Jews to work out their own salvation and to build up by means of education, agriculture, and industry, a real centre of national culture and focus of national life."

On March 3, 1919, President Wilson stated: "I am persuaded that the allied nations with the fullest concurrence of our own government and people are agreed that in Palestine shall be laid the foundations of a Jewish Commonwealth."

Also, on November 3, 1919, General Smuts, a member of the Imperial War Cabinet foretold: "In generations to come a great Jewish State rising there once more." Is this the Magna Carta of the Arabs?

The "paragraph", protecting Arab interests which Uris so "flagrantly" omitted turns out to be a mere subordinate clause. The addition reads: "... object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country."

In Palestine, as in Israel today, all Arab religious customs, rites and holy places were respected and protected. Similarly the Arab rights to work, possess land, immigrate or emigrate and own private property were protected by the civil courts, even more so than the rights of the Jew. Has de Verteuil, who is in the full possession of the facts, forgotten this or it is unworthy to note?

In 1948 when Arabs did take refuge from their homes the vast majority did so at the bidding of the Arab High Command in order to permit the invading armies of seven foreign nations to more easily conquer Israel. If Palestine was their home for centuries why did they not fight the invaders?

As for the accusation that the Jews had no geographical, economic or historical claim to Palestine, there is at least as much justice in the Jews' claim as in the Arabs'. Palestine is the birthplace of the Jews. Palestine is the land in which the first Jewish Commonwealth was established. And after the destruction of the temple in 70 A.D. and the expulsion in 137 A.D. Palestine is the land to which the Jews were continuously devoted, repeatedly attempting to return and piously praying daily for.

At no time was Palestine without a Jewish community. The Arabs ruled Palestine, as conquerors, for four hundred years (634-1071) when it was captured by the Turks. The Arabs never appreciably settled the land. From 1881 to 1948 Arab immigration into Palestine was two-thirds of Jewish immigration. Arab immigration was attracted by Jewish industry. To claim unequivocally that the Jews have no claim to Palestine is a sheer travesty of history and of truth.

It is true that there can be no condoning of terror, but when de Verteuil claims that the *Irgun* and *Stern Gang* "did more than any other single group to retard the peaceful transition of Palestine into Israel" there is no condoning his distortions and predilected calumnies.

Terror begets terror. The knowledgeable de Verteuil apparently forgot the Mufti of Jerusalem and the Arab High Command. The Mufti's mob burned synagogues, murdered pious Jews at the Wailing Wall, bombed Red Cross envoys on their way to and from Hadassah Hospital and even stuffed the mouths of their victims with their genitalia after they split open their stomachs.

As for the hanging of the two British sergeants, de Verteuil, who is in complete command of the facts, omits telling that the hanging was in reprisal, and only after forewarning the British, for the hanging of three *Irgun* youths. In a more broad sense the retardation of a peaceful transition was caused by the Arab invaders, the *Haganah* which was a far more potent force than the terrorists and the political and military vacillations of the British.

Terrorism was wrong but to present terrorism as being exclusively and unequivocally Jewish is a plain distortion of the truth.

There are other sophisms and points of contention in de Verteuil's article. If the British wanted to rid themselves of Palestine why did they not vote for partition? If the British had a moral debt to fulfill why did they permit such things as the *Patria* and Cyprus detention camps? If de Verteuil wishes to set right the wrongs he feels Leon Uris has committed then he must reassess his own shortcomings and right his own transgressions first.

TORONTO MELVIN GROSSMAN

"Downright Lies"

I wish to express my great appreciation for the article on the book *Exodus* written by Charles de Verteuil. The need for a refutation of the half-truths and downright lies in *Exodus* was very necessary.

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The book was lent me by an acquaintance who said: "When you have read that you will not think very highly of the British." My high opinion of the British has not lessened but my sympathy for the Jewish struggle in Israel certainly was.

When I returned the book I expressed my indignation and refuted many of the statements made by Urix but I only received a sceptical look. I shall return to this person armed with de Verteuil's article.

MIAMI, MAN. (MRS.) J. WESTAWAY

"British and Bedouin"

I will not dispute de Verteuil's opinions of the literary or factual qualities of *Exodus*. But in his clever article he introduces some murky facts of his own and assumes the role of moral preceptor, and with these I take issue.

First let us dismiss the lackwit myth of British impartiality *vis-à-vis* Jews and Arabs. There is a long-standing love affair between the Foreign Office and the Bedouin, perhaps due to the latter's lack of sanitation. In this Officers' Club atmosphere a genius like Wingate was stifled.

When your writer enumerates the excesses of the *Irgun* he deftly elides the fact that each act was a reprisal for a British outrage—a British kidnapping, British search parties which disarmed Jews only, British generals who instructed the troops to "hit the Jews in their pockets", British tars who gallantly escorted the *Exodus* passengers back to Germany.

And to equate these acts of a disowned splinter group with the calculated butchery of the German state is a coarse and vicious perversion, all the more sickening because it comes from a member of a group considered exemplars of decency and fair play.

The statement that the British were "glad to leave Palestine" is charmingly naive. British troops were withdrawn, but only to Cyprus and Malta, awaiting the invitation to return to protect the helpless Jews. Or surely the British-led Arab Legion, after sacking the Old City of Jerusalem, would continue to sweep all Israel before it, and re-establish British hegemony over hither-Jordan as well.

They'll be toasting de Verteuil in the beer-halls of Munich if his impudent suggestion to "forgive Eichmann" is carried out. Alas, it is not that easy. Before one side can forgive the other must repent. Or should I say recant? For as long as all good little Christians are told in the cradle that the Jews murdered God, Jews will have cause to be "frightened".

MONTREAL

HAROLD B. GORDON

Comment of the Day

Diefenbaker and Destiny

WHEN THE HISTORY of these days is being written the name of John Diefenbaker will be firmly attached to two significant events: the passing of the Canadian Bill of Rights last year and the formulation last month of a set of principles for the Commonwealth which forced South Africa to withdraw. Ever since his days as a lawyer on the prairies Mr. Diefenbaker has shown a deep and abiding concern for human dignity and the right of all individuals to be equal before the law. And this passionate conviction marks him out from his Cabinet and Commonwealth colleagues.

Canadians are proud of the way in which Mr. Diefenbaker acted in London, but now that such leadership has been given we must see to it that our own backyard gets cleaned up, lest we belie the elegance of our new facade. Having emerged as the champion of those who are oppressed because of their color, we shall have to make good by deeds as well as words.

We must first abolish our present restrictions on immigration from the West Indies. We must also see that the gentleman's agreement which restricts the number of those who can come to Canada from India and Pakistan is revoked. We must also see that our rigid system for the entry of Chinese and Japanese is liberalised.

This doesn't mean that we must throw open our doors to indiscriminate immigration at a time when we have three-quarters of a million people unemployed already in the country. We cannot add to their suffering by allowing the unskilled and untrained to flood in. But if a sufficiently well-qualified West Indian or Japanese does apply, it must be the strength of his credentials, not the color of his skin, which must decide his acceptance or rejection.

Having thus aligned ourselves, as we have, with the under-privileged we should now go further. The future of Canada depends on how well we can realign ourselves with the small and middle powers rather than, as in the past, with the United States or Great Britain. (This doesn't mean we must lose our Commonwealth connections since several of the small or middle powers, eg. India, Australia, Ghana, are Commonwealth countries.)

What we must strive to achieve is a sufficiently coherent group of such powers, not interested in atomic warfare, nor in political spheres of influence, yet which can, through the General Assembly of the United Nations so play on world opinion and so manipulate the United Nations machinery that the influence of the big powers is kept in reasonable check.

In addition we must, among these smaller powers, argue constantly for

Red Rift

MAO: "THE MARXIST doctrine's fallen. Who's to blame if it's destroyed? Khrushchov, just another Stalin Operating in a void."

Khrushchov: "Peaceful co-existence Isn't something to deplore: Wiser far to keep at distance Prospects of atomic war."

Mao: "A war would mean disaster? Theories like that we scout: Chinese propagate much faster Than a war can wipe them out."

Communitistic definitions
Don't agree about the goals;
Sino-Soviet positions
Are asunder as the poles.

We who hear the quarrels heighten,
Voices raised and insults flung,
Smile to see the Moscow titan
Scolded by the Mao Tse tongue.

VIC

the creation of mobile, highly-trained conventional forces which, while suitable for maintaining internal security in any of the countries concerned, are also available to the United Nations for the settling of the kind of brush war now imperilling world peace in the Congo, Angola, Laos and other trouble spots.

By our diplomatic initiative in this regard we should also create a favorable image of ourselves and of other small white nations so that the colored members of the same bloc would welcome from us raw materials, food and trained or semi-trained labor.

Not only would this help us internationally but the export of food and raw materials and the loan of people now unemployed, though willing to work abroad, would help us domestically too.

Nor would this service have to be without pay. By aligning ourselves with this group and by equipping ourselves with conventional home-produced weapons we would save millions of dollars from our defence budget. If we were to lop off the odd 600 million dollars from our present 1.6 billion dollar defence expenditure it would be a healthy start and this could pay for a lot of surplus goods and loaned labor.

Mr. Diefenbaker has shown that he has the quality of leadership required for this kind of plan; in his Cabinet, he surely has the administrative ability to put it into operation. Then Canada could, at one bound, become an important and independent world power — a position which would, paradoxically enough, produce that sense of national identity which we have been so slow in working towards thus far.

Stars and Political Stripes

JUST HOW FUTILE it is for us to continue to hitch our defence wagon to the United States star can be seen by the recent announcement that the Lockheed Aircraft Corporation has been awarded a one billion dollar contract to design and build 132 jet cargo and troop transport planes. These planes are to be built from scratch; that is the designers are to pin a clean sheet of paper on their boards at the plant in Marietta, Georgia and begin from there. Yet the specifications to which these airplanes are to conform approximate very closely to the specifications of the CL 44, a Canadian-built plane now actually rolling off the assembly line of the Canadair plant in Montreal.

There are good American reasons why President Kennedy's administration has awarded this contract to the Lockheed Corporation. Georgia is a depressed area and the Senator from Georgia, Richard B. Russell, is an important Dixiecrat. A one billion dollar defence contract will go a long way to sweeten his attitude towards some of the social legislation Mr. Kennedy is trying to push through Congress against the conservative Republican-Dixiecrat coalition.

Furthermore, the design of these planes shows that the Pentagon is still planning for a major war with the kind of global requirements of the last one. Just how such a war can be waged is



A Boy's Life at St. Andrew's

by J. Robert Coulter, B.A., Headmaster

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If you have a son or you know a boy you would like to see have this kind of training write for prospectus and scholarship information to J. Robert Coulter, B.A., St. Andrew's College, Aurora, Ontario.

Examination for entrance scholarships will be held April 20th and 21st. Applications should be received before April 1st.

St. Andrew's College—Aurora, Ont.



already a question of real concern to everyone outside the Pentagon and the Kremlin.

The fact is that the Pentagon is going to go its way alone and the defence production industries of the United States are all too eager to back it up. Politically the plums are too rich to discontinue. Over the last ten years, for example, the average procurement for the military in the United States has amounted to some 25 billion dollars. That President Kennedy doesn't intend to do anything very drastic to change this is proved by a bill reported on March 6 to Congress which would authorise the expenditure of eight hundred million dollars covering 790 installations, one or more of which is to be located in each of the 50 states of the Union.

What is more, the formidable alliance between private industry and Pentagon is buttressed by 261 retired generals and admirals who now have employment on the payrolls of the top 100 defence contractors. General Dynamics Corporation, for example, has 27 such senior officers working for it and the Chairman of the company is Frank Pace, formerly Secretary to the Army in the Eisenhower administration.

We are not, despite the pious platitudes that have emanated from Ottawa and Washington, going to break in to this formidable politico-military set up. Our present defence policy is thus economic as well as military foolishness.

DDF Properly Amateur

NEXT MONTH the Dominion Drama Festival finals will be held in Montreal. To them will come the top group from each of the ten regions into which the Dominion Drama Festival divides the country.

With the change in the method of adjudication — from one man who goes right across the country to separate adjudicators for each region — all regional winners now get a chance at the finals irrespective of their comparative merit.

This is a good thing, since the DDF was originally founded to help those groups that were good in their own area to become as good as any in the country. By competing against better groups, by seeing the productions of better groups, and by the adjudication at the final festival all groups can learn how to improve their own technique.

This reversion to the original intention is most welcome, because it means that the Dominion Drama Festival once again becomes a worthwhile venture. Now again in the '60's, as it once did in the '30's, it will be seeking out meritorious amateurs, helping them, giv-

ing them status in their own area and generally providing better theatre in those centres where professionals rarely, if ever, appear.

One of the results seen already is that a number of groups are beginning to concentrate on experimental theatre, often in collaboration with local writers, rather than on creditable or even sick performances of old repertory pieces which can be far better done on the straw hat circuit or by touring companies.

At this year's festival, therefore, we are in fact seeing a new definition of the Dominion Drama Festival's purpose and the beginnings of a proper cleavage which should exist between the good amateur and the competent professional.

And when the Dominion Drama Festival concentrates on the amateur's freedom to experiment it is giving good service; when it pushes the amateur into direct competition with the professional, it belies its original purpose and motive.

Defence Debate

HAVING CAUSED a rift in the Commonwealth, Mr. Diefenbaker might well now seal one of the rifts in his own cabinet. Politically the differences between Mr. Green at External Affairs and Col. Harkness at Defence, are unwise. Worse than that, they militate against the good of the country.

Mr. Green is convinced that we should work as hard as possible towards disarmament. As a result he welcomes groups who have this in mind because, of course, they can predispose public opinion so that it will back the government's attempts in this direction. But at the same time Col. Harkness thinks that people who talk of 'banning the bomb' are subversive and are undermining other Canadians' determination to take their proper place in the world.

It is all very well for Col. Harkness to look after his own department and to feel that he must argue on behalf of the general staff and of the forces which that department controls. It is also fair for him to point out that the kind of pacifism which would have reduced Britain to impotence by 1939 is dangerous. Until the Communists disarm the West must obviously be strong.

But what possible difference to the defence of the West, or, indeed, of Canada, can our tiny and obsolescent defence forces make? And nuclear armaments won't change the situation much either.

In the face of these facts, would it not be better for Col. Harkness to forget his empty thunder and to consult with Mr. Green about a policy which, as we have shown in the first Comment above, could bring credit, not only to them, but to us all.



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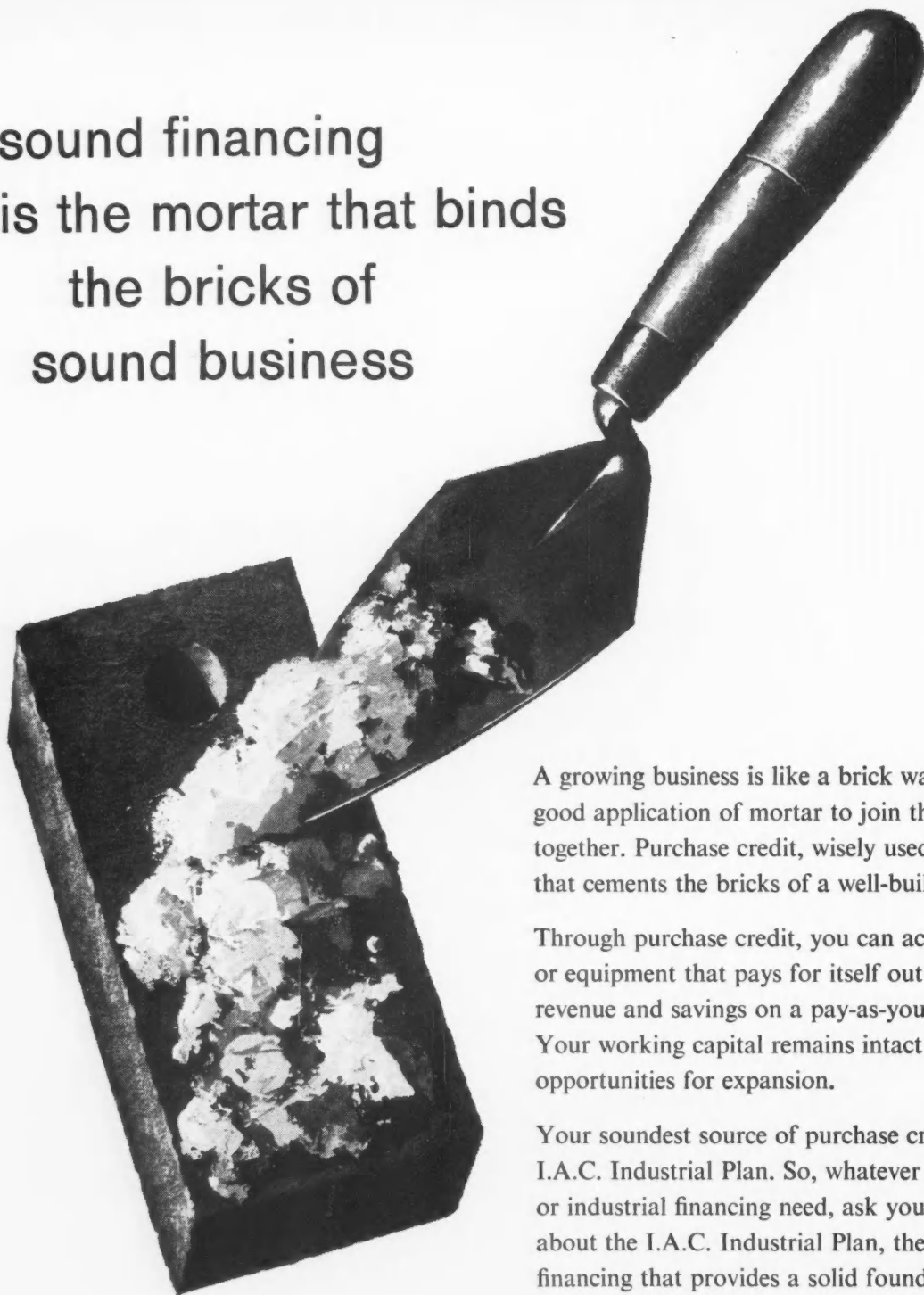
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Behind the Scenes Look at the Budget

by R. U. Mahaffy

THE DRAMA of "budget night" — with its build-up of suspense and carefully-calculated concessions to the democratic role of the House of Commons as controller of all money expenditures — will be heightened this Spring by a problem plot: how is Finance Minister Fleming going to raise the nearly \$7 billion that will be required for the government's spending program before the 1961-62 fiscal year is over?

Main estimates so far brought down call for budgetary expenditures in the coming fiscal year of \$6,123,758,182. In addition to this \$606,570,000 will be required for Old Age Security pension payments, bringing the total to \$6,730,328,182. This does not include supplementary estimates. The current year's appropriations — with more to come — have already grown to \$6,492,067,323.

Still to come are increases in veterans' pensions which the Throne Speech said would be "substantial". Canadian Press also points out there has been no provision made for a new jet interceptor for the RCAF Air Defence Command to replace the aging CF-100. And what about next winter's municipal works program? It ran to \$30 million this year.

This much is a matter of public record. To guess at what the 1961-62 budget will contain — shrouded in secrecy as budget deliberations are — is a precarious business; not always as lucky as one Press Gallery reporter's speculation some years ago that the sales tax was coming off motor cars when he heard Finance Minister Abbott had bought a new car.

What one can do, however, is outline how all tax changes come to be made and how budget policy is hammered out; then one can try to foretell how this year's economic climate will influence the standard — sometimes "revolutionary" — devices used to achieve a politically tenable program.

To get a picture of the harassing questions and perplexing issues — political and economic, administrative and legal — that clash and coalesce before the budget is finally drafted, it is necessary to begin at the beginning.

First of all, just what is a budget? In the popular mind, it is the annual budget speech given by the Minister of

Finance. A budget means "a small sack" (or satchel) containing papers or accounts. As the term is used in public finance, it originated in the expression "the Chancellor of the Exchequer opened his budget" — referring to the annual speech in the UK House, explaining the proposals for balancing revenues and expenditures.

Not always have Canadian Finance Ministers spoken from a mimeographed text, weighing nearly as much as an encyclopedia. But Hon. W. S. Fielding, Minister of Finance from 1921 to 1925, was the last Minister to use only notes.

The "budget speech" actually is made up of seven main parts: the introduction (which is really the Minister's speech); government accounts for the past year; government accounts for the coming fiscal year; the statement of tax policy; the outline of tax changes; the tax resolutions, and the budget papers. Known as the White Paper, these budget papers are really an appendix to the budget proper.

They give a review of the national accounts, investment and capital expenditure, revenues and expenditures of all government departments, balance of payments, employment and earnings, financial developments during the year, price trends, and a summary of federal government accounts. The White Paper is distributed to members the day be-

fore the budget is brought down so they will have the necessary background data.

Preparing the budget is a year-long process. It starts just as soon as one budget is finished, and officials of the Finance Department begin digging into intricate tax matters that require the quiet deliberation that ensues after the excitement of budget night is over. These questions are taken up with National Revenue. Then the work begins to pile up as new tax proposals pour in by letter, in written briefs, or in personal submissions by lawyers and accountants.

Meanwhile, work on the estimates has been begun in the Fall when the Finance Minister gives departmental heads an inkling of fiscal policy.

By early in January the Minister of Finance usually has cleared up his work on estimates, and the all-out effort on the budget gets rolling. First, the financial climate for the coming fiscal year has to be ascertained. There is no divorce here of fiscal and monetary policy. Discussions are held with representatives of the Bank of Canada to get a clear picture of the financial outlook — a more definitive picture than was possible when the Minister of Finance called for departmental estimates in the Fall.

Somewhat later in the annual pro-



Fleming: How to raise \$7 billion needed for government spending?

Our Unbalanced Budget

	1961-62*	1960-61†
ESTIMATED REVENUES:		
Corporation tax.....	1,128	1,299
Personal income tax.....	1,765	1,713
Non-res. withholding tax.....	131	92
Customs duties.....	530	509
Other commodity taxes.....	1,422	1,372
Estate tax.....	99	88
TOTAL TAX REVENUES.....	5,045	5,073
Post Office.....	189	180
Return on investments.....	280	270
Other non-tax revenue.....	131	130
TOTAL NON-TAX REVENUE.....	600	580
Total Budgetary Revenue.....	5,645	5,653
EXPENDITURES		
National Defence.....	1,615	1,531
Health & Welfare.....		
Hospital Insurance.....	270	190
Family Allowances.....	523	507
Unemployment Assistance.....	45	44
Other.....	148	137
TOTAL HEALTH & WELFARE.....	986	878
Interest on public debt.....	747	748
Payments to provinces.....	543	540
Veterans Affairs.....	290	290
Transport.....	287	346
Post Office.....	191	181
Public Works.....	221	204
Agriculture.....	172	266
Labor.....	136	140
Other.....	936	876
Total Departmental.....	6,124	6,000
Forecasts of total budget expenditure.....	6,300-6,400	6,000
Old Age Security Taxes.....	610	603
Old Age Security Payments.....	607	591

Note: 1961-62 expenditures are taken from Main Estimates.
 1960-61 expenditures are CTF estimate.
 Forecasts of total budgetary expenditures are after allowing for anticipated supplementary estimates.
 * Canadian Tax Foundation forecast.
 † Canadian Tax Foundation estimate.

cess of budget making the Minister may consult the central bank on the monetary implications of proposed tax changes. But this is getting a little ahead of the story.

Before the detailed parts of the budget can be developed, the Taxation Branch of the Department of Finance has to wade through an immense pile of tax proposals which, as has already been mentioned, have been rolling in since the last budget. In mid-December officials of this branch have already begun building agendas on these proposals. These are worked up into a complete book for each one, outlining the proposal, the supporting arguments, the revenue implications, and what action should be taken. Each suggested measure is gone into fully with people from National Revenue.

In the Taxation Branch are the experts on the economics of taxation. The branch is made up on an assistant

deputy minister, the director of the branch, and one man in charge of each of estate tax and tax treaties, corporation income tax, personal income tax, and indirect taxes (sales tax and excise tax). Tariff changes are dealt with by a special section, and involve headaches peculiarly their own.

Dr. A. K. Eaton, former assistant deputy minister of finance and now a tax consultant in Ottawa, says "the three-month period, January-March, mainly in the mornings, is the time for impressing upon the Minister of Finance what he should do in his forthcoming budget. It is quite clearly the constitutional duty of the Minister to hold himself free to see anyone who has a tax grievance or who wants to plead for certain policies or particular amendments."

This is the time when the Minister receives continual representations not only from his own colleagues about tax

changes, but from MP's who are spokesmen for certain sections of the country.

These delegations are heard either by officials on their own or with the Minister in the mornings. This leaves the afternoons free for a long series of meetings between officials of Finance and Revenue. At these joint meetings — there may be 20 or 30 of them — usually held in the Revenue Department, Dr. Eaton says "there is a systematic consideration of every proposal for a tax change that has been put forward by anybody since the last budget". Not only is an attempt made to plug administration loopholes, but an attempt to remove hardship, unfairness and uncertainty.

This brings us down to the ministerial budget meetings which begin about six weeks before the budget is brought down in the House. By this stage the Taxation Branch of Finance has the detailed parts of the budget pretty well in hand.

With the help of the Public Finance section of the Dominion Bureau of Statistics, the sections on government accounts have been written up; estimates set out of how much spending there will be, what existing taxes will yield, and whether this points to a surplus or deficit; a forecast of the economic climate given and whether taxes should be lowered or increased; the proposed tax changes, any special topics outlined — such as federal-provincial relations or the status of the Old Age Security Fund.

It should be stressed that these topics form only the "agenda" for the ministerial budget meetings. The Minister of Finance presides with the Minister of National Revenue at his elbow. The Parliamentary Assistant also takes a very active part in these budget discussions. Usually there will be at least five officials present from Finance and several from National Revenue. A representative from the Department of Justice also attends.

Some of the items mentioned are "firm" figures — such as budgetary expenditures given in main estimates. They do not need to be debated. Attention centres on the proposed tax changes. Now it is up to the Minister of Finance to make a decision on these proposals, with the thought always at the back of his mind that his government must be re-elected.

Tax decisions call for a choice between "long-term rightness and short-run popularity". Without short-run popularity, a government may not live long enough to enjoy the fruits of its long-term wisdom.

Now the tempo of budget meetings speeds up. Everything is cloaked in

secretary. All revealing papers and documents are locked up at lunch time and at night in the department. Care is even taken to see that torn-up drafts of the Speech, resolutions and memoranda are not thrown in the waste-paper basket. As budget meetings proceed, some decisions are reached and the draftsman from the Justice Department goes to work immediately on preparing appropriate amendments to the law.

After this work is cleared away, Finance officials have yet to draft the budget resolutions and the section of the budget speech dealing with tax changes. The budget is now probably only two weeks away.

Through all this the Minister of Finance has the immense responsibility of deciding whether to raise taxes to meet expenditures and thus achieve a balanced budget or whether to lower taxes and counter an expected recession with deficit financing. Any number of combinations or expedients may be used to speed up the economy or to mitigate inflationary trends. However, no realist in the Department of Finance today expects to find a perfect blend of anti-cyclical policies.

The general theory behind fiscal policy is that government expenditures should be increased at the onset of recession, and cut back when a revival is in sight. It also calls for raising or lowering taxes as counter-cyclical action. As an extension of this theory, revenues and expenditures need not necessarily balance; a deficit can be financed by borrowing in a recession, making it up in a good year.

But like all theories it runs into snags in practice. Suppose government expenditures cannot be cut back because of demands of defence and social services and prior commitments by the government to aid unemployment. Can revenues be stepped up by increasing taxes? What taxes?

If there is rising unemployment and a darkening business outlook this may only dampen consumption, bring more unemployment, and smaller revenues in the end. And there is no certainty, even if the economic climate is properly assessed, that particular tax changes will bring the desired effect.

Mr. Fleming has stressed the need of balanced growth, more savings and investment. The business community sees the confiscatory nature of upper bracket income taxes has just the opposite effect. They claim that taxes which take away more than half of each profit dollar have a tremendous influence on decisions to save and invest. Certainly, increasing taxes in the lower brackets, in the face of the unemployment picture, would not have

Taxes: Where Your Money Will Go

	Administration and operation	Buildings, works and equipment	Grants, subsidies & other items	Recoverable items, etc.	Net total estimates
	1961-62	1961-62	1961-62	1961-62	1961-62
	%	%	%	%	%
Agriculture.....	2.6	3.4	2.8	0.8	2.8
C.B.C.....	0.1	—	2.7	—	1.3
Citizenship & Immigration..	2.1	1.6	0.1	—	1.1
External Affairs—					
Department.....	0.8	0.2	2.2	—	1.4
Finance.....	4.9	—	44.4	0.4	23.7
Labor—					
U.I.C.....	1.9	—	1.9	—	1.7
National Health & Welfare..	1.9	0.4	31.1	—	16.1
National Revenue.....	3.3	—	—	2.0	1.3
Northern Affairs and					
National Resources.....	1.4	4.5	0.6	2.6	1.4
Post Office.....	7.8	0.4	—	—	3.1
Public Works.....	3.0	11.9	2.0	1.2	3.6
R.C.M.P.....	2.3	0.6	—	—	1.0
Transport—					
Department.....	4.8	17.0	0.9	29.1	4.2
Veterans Affairs.....	3.4	0.7	7.3	34.0	4.7
Other Civil Departments*..	9.0	6.1	3.2	14.1	5.8*
TOTAL CIVIL DEPARTMENTS.....	49.3	46.8	99.2	84.2	73.2
National Defence.....	49.7	53.2	0.8	15.8	26.4
Defence Production.....	1.0	—	—	—	0.4
TOTAL DEFENCE DEPARTMENTS.....	50.7	53.2	0.8	15.8	26.8
TOTAL BUDGETARY EXPENDITURES.....	100.0	100.0	100.0	100.0	100.0

*The estimates for each department in this group are less than 1% of the total estimates.

"short-run popularity".

Moreover, running up deficits in a recession makes the task of monetary management that much more difficult in a prosperous year. Mr. Fleming sides with those economists who say Canada is not in a recession, but is merely suffering a levelling-out in the long-term rate of growth. Aside from this, intentional variations in tax rates for cyclical purposes, it is argued, should be kept to a minimum.

So there it is — to borrow or raise taxes? The Finance Minister may have to resort to both. Much depends upon his assessment of what will happen to the economy in 1961. Unless the gross production registers a gain of 5 or 6 per cent this year — which is unlikely — the major part of the deficit may have to be borrowed. Already in the U.S., Wall Street has reflected the growing uneasiness over a swollen federal deficit. Big investors are buying equities, envisaging higher interest rates and lower bond prices.

All this speculation could well be proven wrong, for adroitness in devising new tax measures has characterized the budgets of recent years.

The solution of the "problem plot" will be revealed on budget night. Some

hours before, the Press Gallery staff will know the secrets behind the locked doors of the Railway Committee Room of the House. They are admitted to this locked room up to six p.m., given a copy of the budget, and allowed to prepare their stories — with the assistance of a battery of experts later in the evening — to be held for release when the budget speech has been delivered.

Then the climax of this annual drama comes in the House. The Minister of Finance rises and moves "that Mr. Speaker do now leave the chair for the House to go into Committee of Ways and Means" — to consider certain resolutions which have been recommended by the Governor-General. This opens the "budget debate".

Whether the Opposition Financial Critic later scathingly takes the Government to task for the measures it has proposed, whether you as an individual taxpayer agree with the budget or not, in the words of Sir Wilfrid Laurier, "it is a sound principle of finance, and a still sounder principle of government, that those who have the duty of expending the revenues of the country should also be saddled with the responsibility of levying and providing it.



PC's rally in Ottawa: A meeting on national scale of people caught by a common interest and emotion.

The Tory Annual Meeting:

A Love Feast With A Deeper Meaning

by Ernest Watkins

THERE ARE THOSE (and many of them are Liberals) who credit Allister Grosart, National Director of the Progressive Conservative Association, with diabolical gifts; if he has them, he made full use of them in giving last month's annual meeting of the Party in Ottawa a remarkably dramatic momentum and background.

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By Thursday evening, in Ottawa, some 2700 delegates and members of the Party had flooded in to the opening and routine meetings of the Party. In London, the die had been cast: South Africa would leave the Commonwealth with the proclamation of the republic, and the Prime Minister of Canada and his colleagues were dining with their Sovereign at Buckingham Palace. Mr. Diefenbaker did not leave until after midnight.

At eleven the next morning he was in his place in the House of Commons in Ottawa, making his report to Parliament on the dramatic events of the week, and at 8:30 that night he was on the air, speaking to all his fellow-countrymen from the crowded ballroom of the Chateau Laurier, surrounded by his Cabinet and a tightly packed and enthusiastic selection of his party supporters. It was a fantastic climax to an historic set of events.

Soberly, that week could have seen the beginning of the disintegration of the Commonwealth. Soberly, I believe that, instead, the Commonwealth has been given a further lease of life, because it has declared afresh what its purpose in life should be, and that John Diefenbaker, leader of the Progressive Conservative Party in Canada, played a very considerable part in saving it, simply by seizing upon and holding aloft the one principle that the Commonwealth dare not give up. Dramatic events of that kind are not always given dramatic trappings. In Ottawa that week, they were.

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may be forgiven) it presents to the public, in such a way that the new face, while reminiscent of the old, will induce the public to forget or forgive the features of the party that it rejected at the last election.

The members present are prepared to examine their leader critically, to revise their policies drastically, and to be very rough with those who allow the electoral organization to fail. Hesitant or radical, there is no route they can leave unexplored, and if time permits, they may walk down any number of avenues, even though some of them will prove to be dead ends.

A party in power when it meets on such an occasion is less free to roam, and on the whole has less inclination to do so. Its leaders have the aura both of past success and present power; it would need a considerable crisis for them to be subject to attack. Its policies are no longer aspirations. They have been merged in the executive actions of a government in being and, if the party members have any contact with reality, they know that they cannot run a government from a two-day meeting held once a year.

They are freest of all in matters of organization, but even there they have to remember that their sitting MPs have considerable rights and responsibilities within their own ridings. They are in difficulties at once if they attempt to overhaul too clumsily the methods in operation in the seats the party already holds.

Nonetheless, any party gathering on a national scale is a meeting of people caught by a common interest and emotion; if they were indifferent they would not have come. It is easy to discount the importance of that, to sneer at something dubbed mass hysteria. But the basis on which every party builds is, and can only be, the enthusiasm of the voluntary worker; without her or him the party would not exist.

It must, therefore, be one of the major objectives of every party organizer that the people who come to an annual meeting shall go away feeling that the experience has been worth the time, the trouble and the expense. The newspapers will print the resolutions the meeting has passed. Only the individual can take with him and pass on the emotions that have been generated during the two days; and he will comment if there has been a lack of them.

This year's Progressive Conservative meeting followed this pattern: It had one half day of open discussion on organization and advertising; another half day of open discussion, on a question and answer basis, between Ministers and delegates; a third half day on formal

business, the election of officers, and the reception of various reports from policy committees set up by the provincial organizations; a fourth half day on a discussion of policy resolutions from across the country, and an evening banquet at which the Prime Minister spoke. In theory, this made an admirable plan.

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The half day devoted to discussion of the policy resolutions was the final Saturday afternoon, usually considered a bad day, since by then some of the delegates will already have set off elsewhere or will have developed a degree of conference fatigue sufficient to induce them to prefer resting quietly on their beds. This session was remarkably

well attended. The main hall was full, which meant that a thousand or so delegates were there.

Only two subjects were genuinely debated: a national flag, and nuclear weapons on Canadian soil — but to pass over the remainder of the printed words as a formality would, I believe, be to lose an excellent chance of seeing and understanding the Progressive Conservative Party of Canada as it is today. For my own part, when I think of what the Conservative Party of ten or fifteen years ago must have been, in terms of policy, I am amazed at the change.

When I first came to Canada, eight years ago, I formed the impression (and I so wrote) that the Conservative Party of Canada could fairly be described as the Conservative Party of Ontario with branch offices in the other provinces. Today I believe that it has shed its sectionalism and its emotional blinkers, that it has a national policy intent on development within Canada, and that it has generated an internal dynamism sufficient to put that policy into effect.

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1. I believe that the Party is really facing a central issue in our society today, the risk that, in trying to move towards a Welfare State, we are in fact creating a Hand-out State. The difference between the two is vital. As the report of the committee on Social Justice said, "Needs not wants" must be the test.

2. The party is consistent, and to my mind realistic, in its thinking on disarmament, NORAD and nuclear weapons. Disarmament is what we want, says Howard Green; nuclear weapons are what my men must have, says Douglas Harkness; and as heads of their respective departments they could say no less.

Is there any real inconsistency there? Is there any logical halfway house between disarmament, either total by unilateral decision or controlled by international agreement, and the maintenance of the most efficient force you think you need and can afford?

This question was debated on an amendment moved by Mary Southin, of Vancouver, one of the ablest of the younger women in the party, to prohibit the storing of any nuclear weapons on Canadian soil. The amendment was decisively beaten.

3. A national flag. The resolution that came from the resolutions committee called for the "adoption, as soon as possible, of a distinctive national



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2. The party is consistent, and to my mind realistic, in its thinking on disarmament, NORAD and nuclear weapons. Disarmament is what we want, says Howard Green; nuclear weapons are what my men must have, says Douglas Harkness; and as heads of their respective departments they could say no less.

Is there any real inconsistency there? Is there any logical halfway house between disarmament, either total by unilateral decision or controlled by international agreement, and the maintenance of the most efficient force you think you need and can afford?

This question was debated on an amendment moved by Mary Southin, of Vancouver, one of the ablest of the younger women in the party, to prohibit the storing of any nuclear weapons on Canadian soil. The amendment was decisively beaten.

3. A national flag. The resolution that came from the resolutions committee called for the "adoption, as soon as possible, of a distinctive national

flag". It was attacked from two sides: by those who hold that the Canadian Red Ensign is the declared and desired flag for all Canada and that it should not be abandoned, and by those who want the distinctive national flag adopted before the next election.

Both amendments were defeated and the original resolution carried as it stood, a result which I believe is evidence of maturity in Canadian thinking. If we are to have a distinctive flag, let us at least ensure that it will be nationally accepted, in the real sense of that word, when we adopt it (but I think we should try and manage that by 1967).

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Coming back, I thought that the most likely criticism of the convention, from outside, would be the relative absence there of any discussion on unemployment. Such criticism would come as no surprise, in the light of the past behavior of those most likely to make it, but I for one would remain unpersuaded that it was justified.

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As for Allister Grosart, and the timing of the meeting, he told me that the date was in fact set by the management of the Chateau Laurier — that week was the only week when they could offer three consecutive days to any organization for its meetings. But the Chateau Laurier is a Canadian National Hotel, and the Canadian National Hotels are a Crown Corporation — is there no limit to the possible machinations of a party director?



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In sum, they feel that the Canadian suitors are tumbling into their romance ill-informed, improperly equipped and inadequately prepared. They fear the dangerous repercussions that rejections and failures will have on each side and suggest that some extra caution now might be just the thing to allow the participants the time necessary to come of age.

Mind you, many of the arguments put forward taste of sour grapes. There's an element of jealousy involved, especially since the resounding reception given Canada's manoeuvres at the Commonwealth Prime Ministers Conference. Some British officials have been pushed to imbalance by past failures of their own pet projects. And others inflate personal setbacks to the status of national policy.

But for all the reservations that do apply, elements of good counsel emerge.

First of all, with startling unanimity, Canada and Canadians are warned against foolish blindness on the questions of race and color.

"One doesn't have to be a Verwoerd to recognize that there are fundamental

differences between Europeans, Africans and Asians," comments a Colonial Office veteran. "Until one is able to understand that, and adapt to wholly alien ways of thinking and living, one really is in a position comparable to that of a child.

"Remember too that exclusiveness is a two-edged sword. Just as many Europeans regard themselves as a people superior to, and apart from, others, so do the vast majority of racial and religious groups of Asia and Africa. In fact, their selectivity is often much more rigorous than ours, involving positive social sanctions of the most far-reaching kind."

To talk (as Canadian policy does now) of equality of opportunity regardless of race or color, the argument continues, may be fine in the theoretical reaches of higher political declarations, but in the day-to-day exchanges of a working partnership it flies in the face of fact.

In Nigeria, for instance, there's the experience of a well-meaning British economist hired by the government shortly after independence day. At first, he was described as a political assistant and made great progress in tutoring the new nation's senior politicians and civil servants.

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In India, too, you can still get a tale of woe from practically any European who has been involved in the variety of Western-sponsored technical assistance projects there. They are typified by a Colombo Plan construction supervisor who tells of delays of six months and a year on some of his jobs because, in part, his crews were trying to use normal Western methods of management on a people with no interest whatsoever in such an approach to life.

Experiences like these abound, and from recent reports appear to be increasing rather than abating. As the heat generated by the varied nationalisms of the non-white nations increases — fed by a strange mixture of successes against the whites and the ruthless cut and thrust of local politics — so do the demands for ever greater concessions to racial sensitivities.

"You get a dual attitude," commented one diplomat. "Especially in those countries where the West has ruled in the past, people tend to be prickly. They show mixed feelings —



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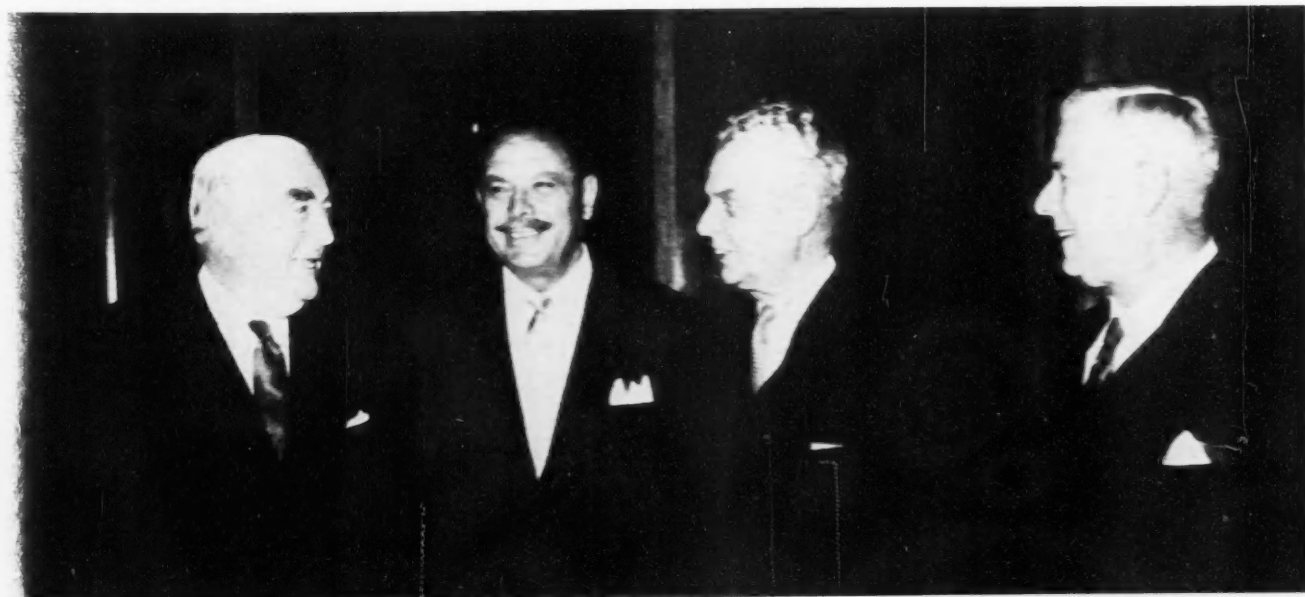
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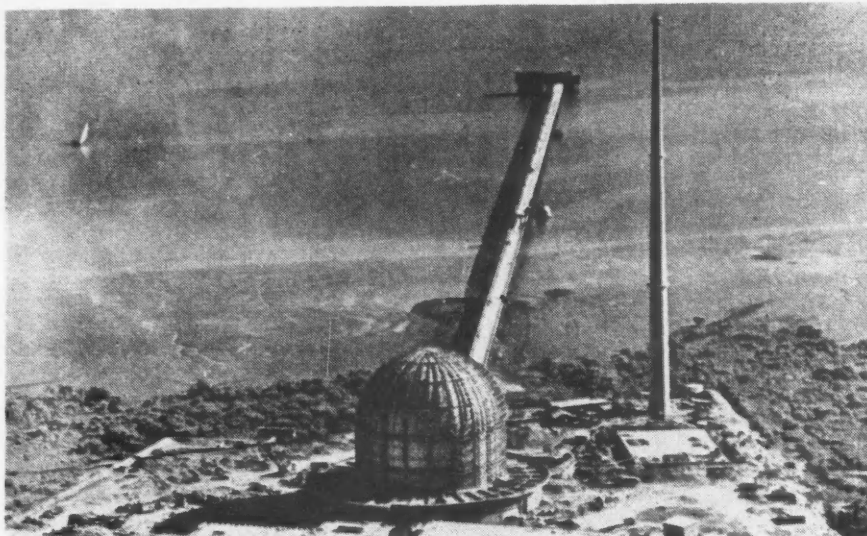
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Canadian funds built reactor at Trombay, India. More of same help is needed.

the latent superiority of their racial tradition and the inferiority complex of a newly independent nation.

"It's often accompanied by a sort of puritanism which forces many in the community to deliberately de-Westernize themselves in order to protect their jobs and social status.

"Canadians can expect a cultural shock in all these new lands. There are fantastic differences in environment and ways of life."

Some delicate issues are involved in Canada's own backyard too. This Spring, for instance, the negotiations for the independence of the West Indies are expected to come to a head with Britain. One of the main issues involved, apart from local economic problems, centres on immigration and observers here forecast that Canada's restrictive policy will come in for a thorough hiding. Unless some face-saving alternative policy is organized, such as the Australian scheme for large-scale technical assistance and scholarship aid, Canada's closed door on non-white immigration will provide the rock on which all overtures will founder.

As one West Indian now working in Ghana warns: "Canada is becoming known throughout the colored world. We hear your professions of friendship and see your political leaders taking firm stands on racial issues. But we also see your huge land with all its space and resources refusing entry to non-whites. You'll get little lasting goodwill that way. We're all pretty sick of words and empty promises."

And that touches on the second point involved in any serious flirtation: The commitments, political and economic.

On this topic, the gloom is obvious. To build up any kind of political rapport, needs a neat network of mutual obligations to delineate the points where a simple common aim does not

do the job. Thus, to be meaningful, Canada would have to agree to favored Afro-Asian policies on, say, neutralism, in order to get reciprocal support for her own schemes on such issues as disarmament, tariffs or UN budgeting.

But how, say the diehards, can this be done in the face of the many wild unrealities of Afro-Asian politics?

In Africa, Ghana's Kwame Nkrumah is engaged in a grim struggle for power with the "Young Turks" of his government, facing the possibility of a palace revolution which would throw his country's policies even more sharply to the left. He's torn at the same time by the conflicting dreams of Commonwealth pre-eminence and the illusory leadership of the continent south of the Sahara.

And his rival and neighbor, Nigeria, is scarcely less unstable — there the conservatives of Abubakar cling to power in the face of an opposition expert at rabble rousing, extremist in outlook and certain to abrogate current promises the moment it takes power. Throughout the continent, in fact, it's agreed that the currently successful challenge of the extremists—in Kenya,

Tanganyika, Nyasaland, even the Rhodesias — bodes ill for outside alliances.

Among the Asians, the situation isn't really much better. India vacillates between East and West, safe now only because of some uniquely flat-footed diplomacy on the part of China. Ceylon is torn by religious strife and is due, in many opinions, to experience a rapid succession of weak governments over the next decade. Pakistan rests outwardly serene with its military dictatorship — dissolving into fratricide each time the slightest leniency is shown.

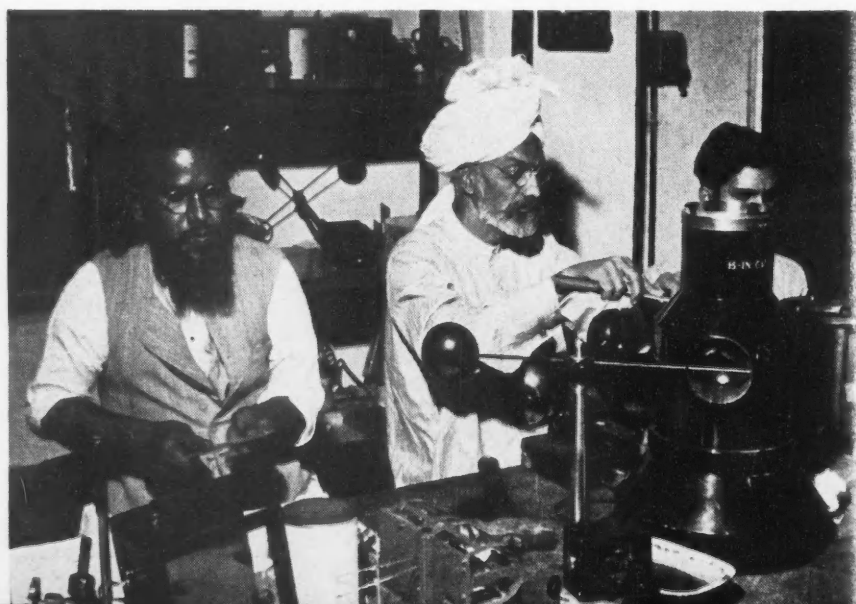
In each case, pressures at home are forcing these nations to adopt foreign policies of an ever more excessive nature. In the view of pessimists it's only a question of time, before they become wholly unacceptable to Canada by virtue of their pure emotionalism and their insistence on non-white pre-dominance.

So too with the economics. Already private investment has slowed to a trickle as the indications of instability have increased. Even with public funds, the problems of maintaining accountability grow apace.

It's clear that the key to Afro-Asian support lies in cash and technical aid. But it's also suggested that the conditions in which such assistance will be provided are growing steadily worse.

That, at least, is what the old hands are saying now. They concede that the needs are vast and urgent. They admit that failure to meet these needs — and to build a bridge between the white haves and the non-white have-nots — will lead to disaster.

But they're convinced that Canada's dreams of going it alone as the youthful champion of the West are dangerously unsound. It may mean less prestige, but they point out it would be wiser to work a bit more anonymously with the not entirely discredited help of those who have been on the job before.



Pakistani students being trained in intricacies of atmospheric physics.

Worried UN Faces Trouble in Angola

by Peter Stursberg

THERE WERE A LOT of old faces in the delegates' lounge when I revisited the United Nations for the resumption of the Fifteenth General Assembly, but a lot more new ones — and the new faces were several hues darker than the old ones. Africa had triumphed in my absence from the world headquarters. That was apparent in the number of black delegates crowding the bar under the mahogany relief map of the world. Although so recently out of Dahomey and the Ivory Coast, not to mention Chad, they had taken readily to "Bloody Marys", a potent mixture of tomato juice and vodka, which is the UN's favorite aperitif.

By an odd quirk of history, the disintegration of the French empire has resulted in the revival of French as a language of open diplomacy. Only the French spoke French during my days in the glass tower, but now these African delegates were all jabbering away in the other working language of the United Nations and demanding documents in French, which put a severe strain on the translation bureau.

It was obvious that they were a force — the United States and the Soviet Union were vying for their favor — yet, outside the small enclave of international territory at the bottom of Forty-second Street, the African delegates were subject to all sorts of indignities at the hands of the common citizens of the metropolis of New York. There were daily complaints of racial discrimination which made the U.S. role more difficult. Yet, the Americans were determined to give the Russians a run for their money in the colonial stakes, and I was back at the time of the "big switch".

That was quite a day, the day the United States voted against Portugal over Angola in the Security Council. It began with the news that South Africa had withdrawn from the Commonwealth, which spread throughout the corridors of the United Nations so that everyone knew about it by the time the pre-lunch guzzling of "Bloody Marys" began.

Saville Garner, the British high commissioner, was a strangely familiar face in the delegates' lounge; he had dropped in on his way back to Ottawa

from Washington and was worried about South Africa's future. Art Smith, MP, a member of the Canadian delegation at the Assembly, could be spied around a huddle of shining black faces, looking just as much at ease in the UN surroundings as if he were in a board room of an oil company back home in Calgary.

If anyone doubted that colonialism was a prime issue at the United Nations, all he had to do was to read the newspapers. On, or about, the day of

Dag Hammarskjöld, who sat next to him, seemed, considering the beating he had taken from the Russians as Secretary General.

An African delegate droned on in French; he was the representative of the other Congo, the former French Congo, and he was accusing the Portuguese of massacring the natives of Angola. It was because of a riot in the Angolan capital of Luanda, during which more than 40 Africans had been shot and killed, that the question had



Stevenson's orders to vote against Portugal came from President Kennedy.

the vote on Angola in the Security Council and the South African withdrawal, the first batch of Indian troops arrived in the Congo, the French and the Algerians appeared to be ready to negotiate, the debate on South West Africa was ending, and a UN report cabled the Belgians for their behavior in the trust territory of Ruanda-Urundi which is hard by the Congo.

The latter was yet another example of the way in which the small second-rate European colonizers are giving the West such a bad name. The Belgians are seldom seen in the delegates' lounge now, and, I was told, are being more or less ostracised by their former friends.

Shortly after three o'clock in the afternoon, the Security Council was called into session, with the American delegate in the chair. How much older Adlai Stevenson looked than his pictures. And how young and fresh

been brought before the Security Council. The United Nations officially distinguishes between the two Congos by tacking on the names of their capitals, thus: "Congo Brazzaville" and "Congo Leopoldville". This was the delegate of "Congo Brazzaville" speaking.

From the glassed-in booth, we looked down on the lushly appointed Security Council chamber with its great horseshoe conference table. The public gallery was packed and the light-blue-uniformed guards were more noticeable than usual as they stood at the bottom of the aisles facing the crowd; the United Nations was taking no more chances after the riot over Lumumba's death.

"Look at Adlai doodling", someone in the booth said, but actually he was hard at work preparing a speech. It was only after the meeting began that he received his instructions to vote against Portugal and for an inquiry

into conditions in Angola. The decision was made at the highest level, by President Kennedy himself, and there was no hint of it beforehand at the UN.

According to the gossip in the corridors, the State Department was split on the issue, and there is still said to be divided opinion in Washington as to whether the United States should have joined the Soviet Union in voting against an ally. Apparently, the new administration wanted to repair what it regarded as a damaging error made by President Eisenhower's government early in the Assembly, namely the abstention on the Asian and African call for "immediate steps" toward independence for all colonies and trust territories.

The memory of this move still rankles in the minds of some American diplomats who believe that it played right into the hands of the Communists.

pecting the United States to do the same.

If they had known what Adlai Stevenson was going to do, they might have provided enough votes to have the resolution adopted. However, that might have been going too far. After all, this was merely an exercise in winning Asian and African friends. Only the United States, the Soviet Union, and the three sponsors of the proposal, the United Arab Republic, Ceylon and Liberia, voted for it; as seven votes are needed for the Security Council to take action, the move for a UN inquiry failed.

In the view of most Western delegates, the Angolan situation represented no threat to the peace and security of the world, and therefore, should never have been taken up by the Security Council. As one diplomat said, the only Portuguese aggression was the assault

the woods yet, and one thing which has served to embarrass his friends and supporters is the fact that his three main advisors at a time such as this should all be Americans. Beside Dr. Wieschoff, they are Dr. Ralph Bunche and Andrew Cordier.

There are signs that Dag Hammarskjöld has taken note of this concern and is trying to redistribute the jobs in the secretariat so that all member states be fully represented. Any such change is bound to be disturbing and I found the mood of the officials to be as dark and depressed as at any time during the years I had covered the United Nations.

Geographical representation, which had always been a factor, is now of paramount importance, and this means short shrift for some of the American and Canadian officials. In the information services, there have been all sorts of moves: Peter Aylen, a Canadian who had been in charge of the radio division, was being sent to Ethiopia as an information officer; Matt Gordon, an American who had been the principal contact with the Press at headquarters for fifteen years, was being transferred to Tokyo.

However, the Secretary General only survives because of the Russian insistence on changing the structure of the United Nations; they want to replace him with a triumvirate. The view is that he would have to resign if the Soviets were to drop this demand and back some Asian or African for the job, and there are signs that they may do this.

The day after the vote on Angola, the United States joined in denouncing the racial policies of the South African government in South West Africa. Canada, which had abstained on this issue in the Committee, now "joined the ranks of the anti-colonialists" and voted for it. A spokesman for the Canadian delegation, however, denied that the withdrawal of South Africa from the Commonwealth on the day before had anything to do with this change of heart.

Just before voting in the Security Council, Adlai Stevenson called on Portugal to speed up "the advancement" of the people of Angola "toward full self-determination". This was taken as a diplomatic hint that the colony would have to be freed soon; however, reliable reports indicate that the Portuguese have done less about training the Angolans to govern themselves than the Belgians did with the Congolese.

It is fully expected at the United Nations that Angola will be a source of more trouble than the Congo in the years to come.



Dean Rusk, Soviet's Gromyko and Stevenson: Surprise agreement on Angola.

At any rate, President Kennedy acted, and his decision was final.

Whatever else may be said, this could only be described as a down-grading of the NATO alliance, although it was asserted that the United States was anxious to retain its allies as an anti-Communist force, while refusing to support them as colonial powers. Which prompted one wag to suggest that the Americans "wanted to have their allies and eat them too". There was a certain piquancy about this remark since it was reported at the time that cannibals belonging to a so-called leopard cult had attacked European settlers on the borders of Angola and the Congo and had eaten some of them.

From the expression on his face, it was apparent that the Portuguese delegate had been taken completely by surprise. So were the delegates of Turkey, Ecuador and Chile who, as one reporter put it, were left stranded on the "colonial side" of this issue, a rather hapless position to find themselves in. They abstained with the majority, ex-

committed by the Portuguese ambassador, Dr. Vasco Vieira Garin, on the English language.

When the vote came, the Secretary General must have been as surprised as anyone that Adlai Stevenson should have raised his hand in union with Valerian Zorin, the Soviet delegate, but he did not show it. Dag Hammarskjöld has become part of the issue of colonialism and, even without the Russian attack on him, this would have occurred because of the United Nations involvement in the Congo. Sitting behind him in the Security Council chamber was his chief advisor on African affairs, Dr. Heinz Wieschoff, a cheerful and friendly American who is a veteran UN official.

So far, the Secretary General has been able to withstand the Soviet assault, and most of the UN correspondents with whom I talked believe that he should be able to last out his remaining two years in office — after that, nobody can say what may happen. However, he is by no means out of



Neilson spectacular, static by day, comes alive at night creating illusion of milk actually pouring.

Winking at the Public:

Spectaculars Are A Sign in the Sky

by R. M. Baiden

"HOW DO WE SELL them? We just tell these people that a spectacular really puts them in the big league. We show them that when you've got your name up there in lights you've really got it made."

With the true instinct of the natural salesman, Errol Fraser, director of outdoor sales for the E. L. Ruddy Co. Ltd., neatly skewered the central reason for the growing popularity of huge neon-electric spectaculars: prestige. It is, of course, prestige at a price — \$90,000 or more over a five-year contract period. But obviously a substantial list of top-flight names, including Player's Cigarettes, BOAC, Neilson's Chocolate, Wrigley's, Admiral, 7-Up and ESSO, think it money well spent.

"What we do for many of our clients is to create an image, a personality," explained John Weir, art director. "Take Neilson's, for example. The whole spectacular gives the impression of an endless supply of fresh, wholesome milk pouring into a chocolate bar. The lighting adds real impact here because we can create the illusion of milk actually pouring."

These twin functions—creation of

image and fabrication of illusion—are ideally suited to the two basic requirements of any spectacular: it must be seen by a great number of people and it must get its message across quickly, often in five seconds or less. Apart from these requirements a spectacular, by the definition of the trade, must be at least 500 square feet in size and produce spectacular effects from complex lighting systems.

Ruddy's new spectacular for Wrigley's chewing gum is a case in point. This spectacular, on the south

side of Bloor St. between Yonge and Bay in the heart of Toronto's fashionable shopping district, illustrates many aspects of the sign maker's art.

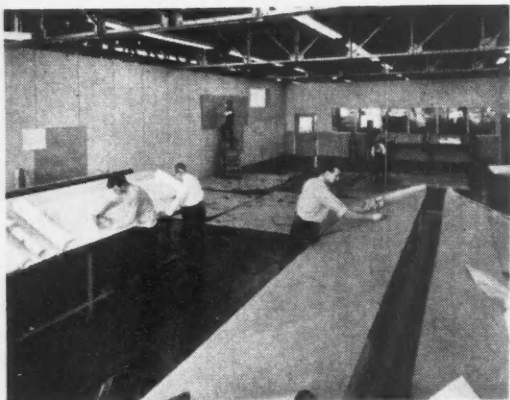
First of all it is big—60 feet long and 37 feet high for an overall area of 2,220 square feet. Secondly, it commands attention. The illumination cycle begins with the 35-foot long and 12-foot high Spearmint Gum package shining steadily. (It contains 96 fluorescent tubes.) Then the words *After Every Meal* flash on and off.

The "bomb burst" at the lower left then comes on and the arrows flash around the four sides of the sign until the green arrow on the package lights up. At this point the words *After Every Meal* remain on and the three words *Wholesome . Delicious . Satisfying* flash on one after another. The display then goes dark, except for the package, and the cycle begins again.

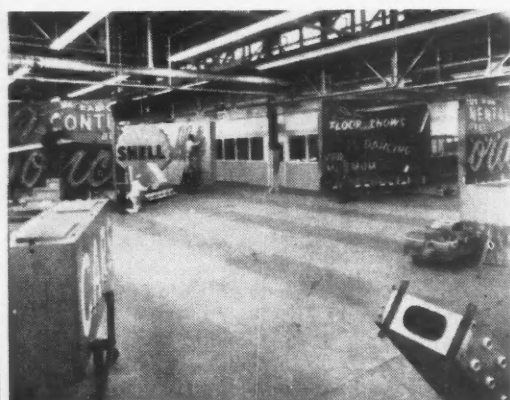
After every fifth cycle, however, the arrows alone flash around to the lower right corner of the base panel before the regular cycle resumes. This creates the illusion that something has gone wrong and was deliberately done to attract extra attention. One full illumina-



For Player's, a half-mile of light.



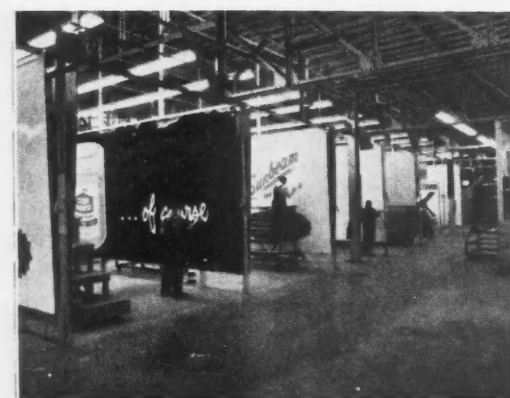
Pattern room. A completed design may be produced in two to three days.



Spectaculars in the making. A wide range of techniques and materials.



Installation of back-lighting in Wrigley spectacular demands 96 neon tubes.



Creation of painted bulletin boards is mainstay of new \$1,000,000 plant.

tion cycle takes only four seconds.

Such sophisticated titillation of public curiosity pays off handsomely for Ruddy, the biggest operator in this field in eastern Canada. Total sales in 1960 of posters, painted outdoor bulletin boards, neon displays and spectaculars amounted to \$6,400,000.

The oldest outdoor advertising company in Canada, Ruddy is a subsidiary of Claude Neon General Advertising Ltd. of Montreal which is both an operating company and the holding company for all Canadian interests of General Outdoor Advertising Company Inc. of Chicago. Ruddy, which has operations in both Toronto and Hamilton, in turn has two western Canada subsidiaries: Claude Neon Ruddy Kester Ltd. of Winnipeg with branches in Fort William, Port Arthur, Regina and Saskatoon; and Neon Sales and Service Ltd. of Calgary. The west-coast market, however, is dominated by rival Neon Products of Canada Ltd. which also operates in eastern Canada as Neon Products of Canada (Eastern) Ltd.

Ruddy itself employs about 300 persons in its Toronto operations and another 25 in Hamilton. The company operates some 3,500 poster panels in 46 Ontario centres, 560 painted bulletin boards in the Toronto and Hamilton areas and on provincial highways and about 40 spectaculars, also in the Toronto and Hamilton areas.

It is the growing popularity of spectaculars, however, which is giving the outdoor advertising industry new zip. Although chary of aiding its competitors, Ruddy estimates that income from its spectaculars in Toronto and Hamilton runs around \$250,000 a year.

While small in relation to income from posters and bulletin boards, Ruddy obviously expects increasingly more orders for spectaculars. The greater part of the company's new \$1,000,000 plant in west Toronto is given over to spectaculars with special sections for neon tubing layouts, glass forming and vacuum pumping, structural iron, sheet metal, paint, electrical and plexiglass fabrication and general work areas.

The plant itself, according to the U.S. trade publication *Signs of the Times*, is "one of the largest and most modern outdoor advertising and sign plants in the world." The plant comprises 84,000 square feet of floor area in the main building, which houses both production facilities and offices, and 16,000 square feet in a supplementary building for garages and truck repair facilities, a carpenter shop and sheltered storage.

Selling spectaculars—or, more accurately, selling leases for spectaculars

since most spectaculars are leased, not sold—calls for both the instincts of the salesman and the mental gymnastics of the statistician. For, like the bulletin boards from which they are descended, spectaculars depend for their success upon being seen by the greatest number of people.

To find good sites, Ruddy maintains a staff of six men whose job is to look for locations for spectaculars—and posters and bulletin boards. (Toronto is estimated to have, currently, 2,200 "poster points". On an average, 10 to 12 per cent must be replaced each year as new buildings rise and obscure old vantage points or vacant land is claimed.) Site finding is done in such diverse ways as studying building plans and simply driving around looking.

When the company thinks it has found a good site it needs to know its "exposure characteristics"—how many people pass by. For this, it calls on the Traffic Audit Bureau of New York. The TAB's formula for estimating exposure consists of counting the number of vehicles which pass the site during one half-hour period in mid-morning and one-half hour period in mid-afternoon, adding the two together and multiplying by 27. The resulting figure, TAB claims, will show the "total circulation of people" from 6 a.m. to midnight. (Every motor vehicle, incidentally, is reckoned to contain 1.75 persons.)

On the basis of this auditing, major arteries such as Lake Shore Road, near Toronto, have sites with exposure characteristics ranging to 100,000 persons a day. On this sort of breakdown, costs for the advertiser range around 12.1 cents per thousand viewers in Vancouver, 13.8 cents per thousand in Toronto, 12.9 cents in Montreal and 20.3 cents per thousand in Halifax.

Armed with a sales presentation angled to "prestige" and buttressed with a suitcase full of technical and cost data, the spectaculars salesman concentrates mainly on national advertisers, for only they, for the most part, can pick up a tab for \$1,000 a month, more or less, for each spectacular. But to sell, the salesman must also understand the type of image the prospect corporation is trying to create and how spectaculars can help. He must know the range of materials and techniques available to create spectaculars and understand how they can be used.

This is, in fact, a wide range. Recent innovations such as the increasing use of plastics to permit "backlighting", a total of 15 color effects in neon tubing and increasing use of complex electrical switchgear permit multiple display patterns.

Player's new spectacular illustrated



Wrigley spectacular in Toronto. Men installing plastic panels in package replica indicate size of overall display.

this trend. The display, 41 feet long and 25 feet high, contains almost half a mile of neon tubing, 1,000 feet of high-tension cable and 128 sheets of galvanized steel three feet by 10 feet. The cigarette package, illuminated from within (backlighting), measures nine feet two inches by nine feet nine inches. The face of the package is fashioned from one sheet of plastic.

The action begins as the white neon tubes which form the background "wipe on" from left to right. Then the words *Player's Please* flash on in ruby red. This is followed in less than a second by the words *Mildest . . . Best-Tasting*. In the next stage, *Player's Please* and the background black out, each returning at one-second intervals. Then the entire sign goes dark, except for the package, and the cycle begins again. The complete cycle takes about seven seconds.

Player's and the new BOAC spectacular also illustrate merchandising innovation: the rotating spectacular. These are spectaculars leased on a five-year basis, but with a provision that they be moved to a different location every 12 months. This, of course, ensures a wider audience for the advertiser.

But to gain any audience at all, a spectacular must attract attention. This, largely, is the job of Weir's art department. With 12 skilled designers on hand to help, Weir can produce a completed design in as little as two or three days. In difficult cases, the time requirement may range to two weeks or so. The completed design includes details of materials, lighting—both incandescent and neon—colors and action.

By and large, Weir prefers to work out his own designs but he will accept suggestions from clients—within limits. One of the limits Weir imposes is the size of lettering. Many advertisers, he says, want to reduce the size of the lettering and add more advertising message. This, Weir says, defeats the

whole purpose of a spectacular.

Another limit is the length of time required to complete one action cycle. Here, clients sometimes want faster action than Weir thinks advisable in the belief that more "razzle-dazzle" attracts more interest. Weir maintains that too fast an action simply makes a spectacular incomprehensible. The determinants, in both cases, are how many people can be expected to look at a spectacular within its given action period and the condition under which they will see it i.e. walking, in automobiles or public transport. Obviously, a spectacular designed to be seen mainly by automobile passengers on a 50-mile-an-hour highway must give much more attention to size of lettering and action time than one designed mainly to attract the attention of pedestrians.

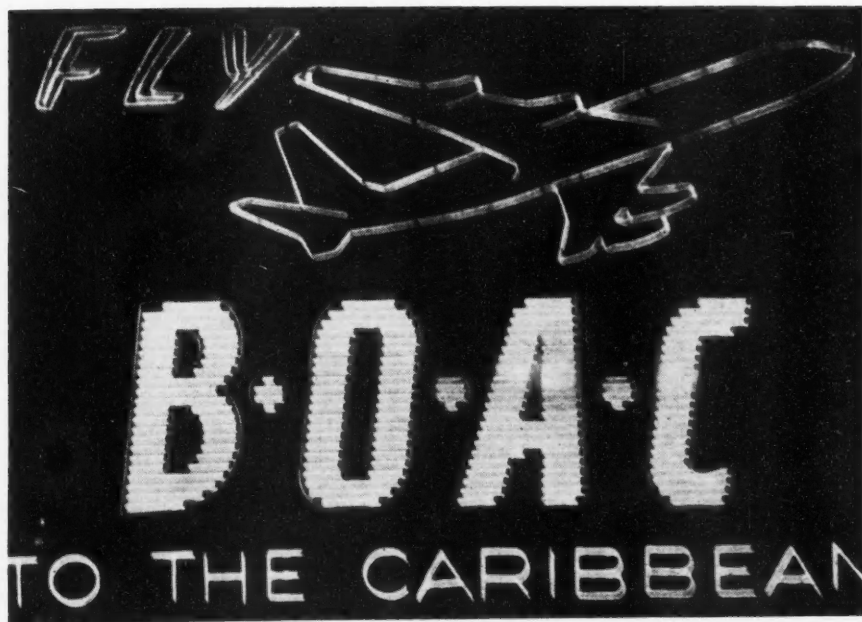
When the design is approved by the client advertiser, full-size patterns are made for both the metal-working and plastic portions and for the neon lighting system. While the basic metal and

plastic structure is being formed and painted and the complex electrical system installed, the neon tubing is being shaped, evacuated and treated to produce the required color combination.

The finished spectacular is then trucked, in sections, to its location where erection and maintenance continue to be Ruddy's responsibility under the terms of the standard 36- to 60-month lease agreement.

But while spectaculars offer advertisers a novel medium, they are not a substitute for other advertising. Fraser, Ruddy's outdoor sales director, is emphatic on this point.

"You see, the basic purpose of a spectacular is to enhance or maintain a product. You can use a spectacular to help launch a new product and to give prestige and background to day-in, day-out repetition of an advertising message. What you do is to build other advertising around it. With a spectacular you can get across a believable message."

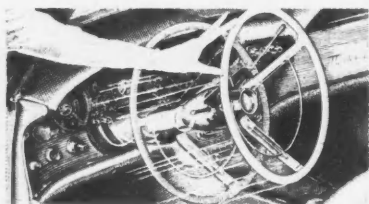


BOAC spectacular in Montreal. Similar display is planned for Toronto.

Thunderbird Flight

*is a magic kind of motion.
Miles flick by, distance disappears
—and every road is an invitation.*

You own the horizons—with the decisive power of the new Thunderbird 390 Special V-8. In Thunderbird country, roads are straight, mountains are low—for you're driving the only 4-passenger luxury car with sports car personality. Automatic transmission, power steering and power brakes are standard—of course. Special Thunderbird



features include the remarkable new optional Swing-Away Steering Wheel. Interiors are the purest form of luxury yet built into an automobile. Throughout

you'll find the same kind of time-defying Thunderbird engineering that has brought this car the finest resale record of any luxury car.

¶ The new is newer in Thunderbird Country—for this is where the trends begin. Check the newest trend at your Ford Dealer's. Take your test-flight into Thunderbird Country... and discover what makes Thunderbird '61 unique in all the world.

FORD MOTOR COMPANY OF CANADA LIMITED

unmistakably New, unmistakably Thunderbird

1961



"Socialism" vs. "Private Enterprise"

by Raymond Rodgers

LAST SEPTEMBER the Liberals held a study conference on national problems in Kingston. For a few weeks thereafter it looked as though they would move to the left, become a nationalist party, and scotch the New Party before it even gets started.

The Liberal rally in January revealed that notwithstanding *some* move to the left, the Liberals did not succeed in becoming a reform group which would obviate the creation of a new Left. With this record in mind, does the Prime Minister make sense when he points at the Liberals and says the major issue in the next election will be socialism versus private enterprise?

The Prime Minister did not define what he meant by socialism. The Liberals certainly do not think the term applies to them. Even the CCF rejects the old-style doctrine in favor of Scandinavian-style welfare-statism. As a matter of fact, all three of our major parties want some form of the welfare state along with governmental intervention to boost business and national development.

At the Conservative annual meeting last month, a resolution calling for a National Development Fund was adopted: "We propose, for consideration of the Government, the establishment of a national development fund to promote industry, to encourage processing within Canada of our raw materials and resources, to carry out long range industrial and marketing research, and to assure fuller participation by Canadians in our industry."

The Conservatives did not want to take this sort of thing too far, however, so they rejected a proposal for a National Construction Corps. While creating all sorts of institutions such as the Productivity Council, when it comes to spending hard cash the philosophy is, as Trade Minister Hees put it on March 23, "a minimum of government intervention in a free economy."

The Conservatives stand for the *status quo* while at the same time they are building up a façade of action. By way of contrast, the CCF-NP pushes for radical change but will quickly tone down in the face of provincial opposition if they ever come to power. As to the Liberals — half incline one way, half the other.

But even that picture is only a generalization. Going through the

speeches of our politicians, it is easy to show how time and time again members of one party will sound like members of another. Paul Hellyer, reminding us that "babies are not born into the world equal, either physically or mentally", sounds like a Tory or early *laissez-faire* Liberal.

It was Labor Minister Starr who said in the Commons that "what is required is a comprehensive program which involves a certain amount of planning on all levels. . . ." and it was CCFer Herdridge who said that trade unions "should never be allowed to degenerate into the tools of a central bureaucracy or into a rigid corporative system."

The *reductio ad absurdum* comes when a Liberal charges the CCF in Saskatchewan of being "the friend of big business".

Practical politicians, of course, interpret the Prime Minister in more down-to-earth terms. For some time now the Conservatives have taken to calling the CCF-NP the "effective" opposition — as distinct from the Liberal "official" opposition. The Conservative hope is that the CCF-NP and Liberals will split the anti-government vote in the next election. There is every indication that this tactic will reap at least short-term rewards.

Hazen Argue, National Leader of the

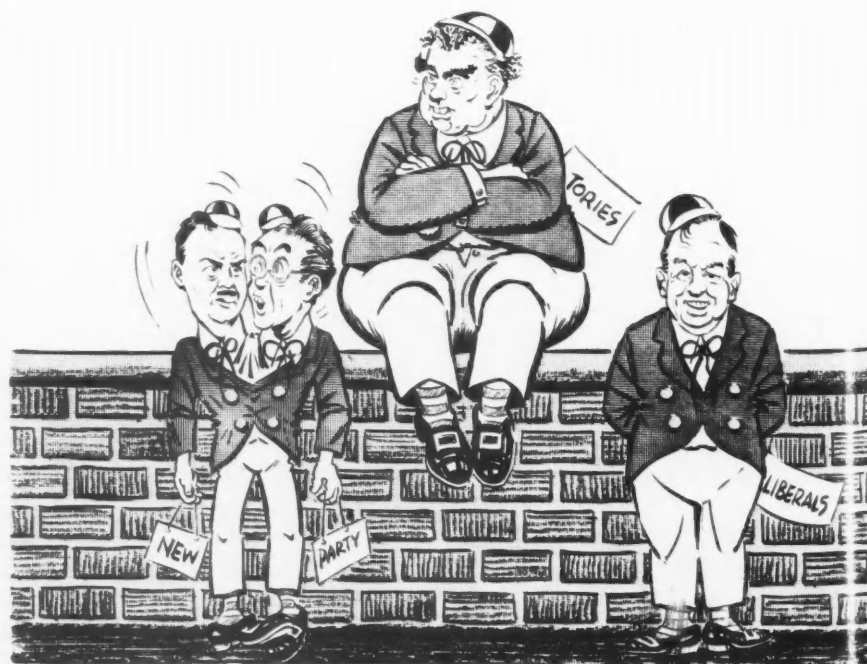
CCF, is only too happy about these developments. Asked if he welcomed a two-way election (with the Liberals cast-off as a worn-out remnant) he replied: "I'd welcome this since it would mean a contest between a real Right and a real Left — this talk about socialism is just a smoke screen to cover the failure of either old party to handle unemployment."

The Liberals could only prevent this fracturing of the left by moving further left themselves and taking the wind out of the New Party's sails. They have not moved far enough to do so, though there is a strong element within the Liberals pushing for exactly that.

If the Liberals as a whole are unwilling to move left on principle, then it is hard to see how they can avoid the charge of being merely left-wing conservatives. On the other hand, if they do not really *want* to gain power in these current difficult times, then their middle position could be explained by expediency.

To the majority of Canadians, more interested in national unity, national development, and the solution to difficult unemployment problems, the whole Left-Middle-Right debate seems sterile and misguided. The real question facing the country is two-fold: First, which party offers the best national development program — one at the same time taking care of unemployment? And second, which party has figured out a way of implementing that program without antagonizing French Canada?

That this latter problem is serious was forcibly brought home in a recent survey of 11,409 readers of Montreal's *La Presse*. Ninety-one per cent of them felt that Ottawa treats French-Can-



"Tweedledum, Tweedledee and a Third Party"

dislike with disfavor. Forty-five per cent felt that Quebec should leave confederation. It may be true that only the most hot-headed would bother to answer such a questionnaire but when six per cent doing so are identified as from the middle classes then it's obvious that all is not well in French Canada.

Strong central action is required to solve unemployment and develop our human and material resources. But how can this be done without arousing the autonomists and reactionaries of Quebec? Again, the *La Presse* survey is revealing. Many of the things annoying French-speaking Canadians lie outside the realm of economics. By granting concessions, such as bilingualism in federal institutions and a fairer share of positions in such departments as External Affairs, the demands of the separatists will be undermined and national unity enhanced.

Looking at the various parties, it is interesting to note that the Liberals — who fare worst if the country divides into Left and Right — are presently the best-equipped to bridge the gap between French and English in Canada. So much so that a number of commentators suggest the Liberals may be the captives of Quebec.

The Prime Minister has yet to reveal whether he will do more to satisfy French Canada's demand for a bigger say in the affairs of the country. The influence of the CCF-NP in Quebec is very weak and promises to remain so for years to come.

In the matter of Canadianisation the Conservatives, as reported in the last Ottawa Letter, have taken some kind of stand against foreign business buccaneers. Yet they feel a natural affinity for businessmen, even though they be from over the border. It remains to be seen this Summer whether the New Party is willing to chuck its natural affinity for American labor-union connections.

In the question of national development, the Conservatives offer a prettily-wrapped package — as was seen by the "National Development Policy" maps featuring their convention. The Liberals, by way of contrast, offered no such visual presentation last January. Again, it remains to be seen what the New Party will come up with.

The various national development offerings of the Left — including such things as increased technical education — are vitally needed in this country. But so often these topics bog down in the mire of provincial autonomy. How to reconcile national needs and the demands of French Canada is the major question facing the country — or much more important than a phony debate about socialism versus private enterprise.

VERY
CHEERING
CHERRY
HEERING

Denmark's Liqueur
Delight Since 1818



THIS IS AN OIL FIELD ?

Both whales and man would be in a sorry fix if whales were still the main source of oil.

But man is ingenious, and has developed oil resources from the earth to meet his energy needs. If he hadn't, getting a tankful of fuel for the family car would be one whale of a job!

Here in Canada, where we average

almost one automobile for every family, the right quality gasoline must always be available, and at the right price. Over the last 10 years, Imperial has spent \$70,000,000 on equipment to improve gasoline quality—while over the same period the amount Imperial receives for a gallon of gasoline has gone down.



IMPERIAL OIL LIMITED

...for 80 years Canada's leading supplier of energy

Letter from Australia

by Harry E. Mercer

The Plight of the Aborigine

A SKELETON that keeps popping out of Australia's chronic-problems closet recently burst embarrassingly into daylight again. Its reappearance caused much twingeing of the national conscience, for it concerned the tragic plight of the Australian aborigines.

It never ceases to interest me, having lived for several years in both countries, to note the number of identical problems that face Canada and Australia. The suffering of an indigenous race is one of them.

What has happened to the Australian aborigines is Canada's Eskimo story all over again — right down to the last sordid detail. And what is being done here to rectify past mistakes is virtually a duplication of Ottawa's plan to put things right in the Far North.

We all squirmed with shame upon hearing of this last aboriginal tragedy.

Four children died when a virulent diarrhoeal infection swept through an aboriginal settlement outside Armidale, N.S.W., and 12 other children were rushed to hospital in the nick of time. Then we learned that some of these children were born on an abandoned garbage dump where 180 aborigines have been living in shanties made of opened cans, pieces of cardboard and other junk. This, with unimportant variations, is the old, old story.

Something of the new story, the one we are told is being rushed into effect, was revealed in a radio talk shortly after the Armidale tragedy.

The speaker was a missionary just back from an unexplored region of Australia's arid far northwest. He is one of a team working there with an aborigine tribe which saw its first white man only three years ago and which still regards the wearing of clothes as an amusing eccentricity. Some of his comments were:

- The tribe is "adaptable, responsible and very intelligent."

- Aborigines break out in terrible skin diseases if they take to clothes too quickly. The mission's policy, therefore, is to supply clothes on request, but not insist that the people wear them all the time.

- A church has been built and although aborigines attend services in large numbers, they are not influenced to do so. The reason: Life so far only makes sense to the tribe when interpreted through its own deeply-rooted beliefs. Undermine these by force-feeding another incomprehensible religion and the tribe may degenerate morally and socially.

- The mission's sole immediate aims are education and the bettering of economic conditions.

The speaker summed up the mission's progress with an anecdote.

One Sunday an aborigine horrified his tribal cousins by strolling into church wearing nothing but a straw hat and a necktie.

"Take that hat off!" one of them hissed. "Don't you know you are in the house of God?"

One of the missionary's comments, however, smacked of less enlightened days. As he waxed enthusiastic about this tribe's comparative "superiority", he added, as if to prove the point, that their hair and skin colors were far lighter than with other tribes, their noses not so squashed, and so on.

Ever noticed how often "superiority" among so-called primitive peoples is equated with how closely they resemble Europeans? Superior or not, it seems reasonable to conclude in the



Children's class, New South Wales.



Older tribesmen dwell in the past.

light of past mistakes that only the belatedness of this tribe's first brush with civilization will prove to be its salvation. We are not as ignorant about the aborigines as we once were.

When Europeans began settling Australia in 1788 an estimated 300,000 aborigines roamed the inhospitable bushlands and desert outback. Now, despite recent population increases, full-blood and half-caste natives number only about 75,000.

It is perhaps understandable that early settlers grew to regard the aborigines as something less than human. The natives, often naked, very dirty and possessing no worldly goods other than Stone Age hunting weapons, seemed to prefer their primitive and harsh nomadic life to anything the white man offered.

Moreover, lacking the aggressiveness of other Pacific peoples (notably the Polynesian Maoris and Melanesian islanders) they retreated meekly before the invaders into country so niggardly that it would barely yield sustenance even to their fantastic prowess as hunters.

Soon most tribes had only desert fringes and tropical northlands to wander, where there was either not enough rainfall for wheat or not enough grazing for sheep. They began dying off like the flies that swarmed around their filthy camps.

What early settlers did not know was that these people were far from a disorganized rabble. They lived within complex social organization systems which they evolved during thousands of years of intelligent adaptation to the harsh environment. Like the Eskimos, they could survive in country that would kill off within days Europeans deprived of modern technological aids.

The miserable plight of the aborigines first pricked the public conscience towards the end of the nineteenth century. Although having "prov'd"

themselves hopelessly backward, it was then reasoned the aborigines should at least be given blankets, rations and medicines if they appeared to be ill and some kind of official protection against injustice.

Then, as it was with Canada's Eskimos, those aborigines who had made the acquaintance of white people began hanging around townships and inland sheep and cattle stations looking for handouts.

It was about 1930 before it became evident to the few then engaged in first-hand work among these people that this negative policy would surely lead to their extermination. At about the same time it astonished white Australians to hear field anthropologists claim that the despised aborigines were highly intelligent and prior to becoming fringe dwellers lived by tribal conduct codes far more complex and democratic than their own.

Today aborigines still live apart from the rest of the community and are mostly illiterate. Their "townships" on reserves and other areas useless to farmers are never a pretty sight.

But it should be remembered that this kind of existence was once as foreign to the aborigines as it is to white Australians. Their old way of life is gone — and most of their dignity with it. We are to blame for this, they are not. They were told or shown that their ways were bad, but were never offered intelligent introduction to "better" ways.

Like Ottawa, Canberra now aims at total native assimilation. To achieve this about \$10 million is being spent on aboriginal welfare and assimilation programs by Federal and State Governments each year. For every 50 aborigines there is now one government officer or missionary working full or part-time.

The governments and missionary groups are now co-operating closely in their efforts to elevate these people above second-class citizenship. Between them they seem to have hit on the only feasible solution.

At the aborigine welfare conference in 1951 both parties agreed on total assimilation as the only answer. Methods laid down to implement this aim were:

To protect aborigines against exploitation by employers.

Step up primary and secondary school education.

Instruct in health and hygiene.

Instil in the aborigines an enthusiasm for their own cause.

Educate European Australians to accept socially their colored countrymen.

Pocket watch with remontoir movement, about 1780-1800. Courtesy Royal Ontario Museum



Quality can be said, but how better when it is experienced





The RUM Merchant of Penzance

As far back as 1781, the windjammer with its cargo of rum from the West Indies made its first landfall at Penzance, a tiny seaport in England, where Mister Lemon Hart conducted the now world-famous business in rum. Through the centuries, Lemon Hart has been recognized as the finest of all imported rums.



DEMERARA OR JAMAICA

Have a GOOD RUM for your money



LAING

- OLD MASTER PAINTINGS
- OLD MASTER DRAWINGS
- KRIEGHOFF & EARLY CANADIANS
- GROUP OF SEVEN
- CONTEMPORARY CANADIANS
- CONTEMPORARY BRITISH
- CONTEMPORARY FRENCH
- SCULPTURE — MODERN MASTERS

Galleries:
194 Bloor Street West,
Toronto

● Erase the idea that drinking (aborigines living on reserves as wards of the State are not permitted to drink or vote) is the only "badge of citizenship".

● Improve their housing conditions.

What was revealed about Armidale's aboriginal shanty town recently suggests this program has been a dismal failure. But this is not so.

In the Northern Territory, where 17,000 of Australia's aborigines live, subsequent government and missionary efforts seem in the long run destined for success.

Of the entire Territory aborigine population only a few hundred now live fully tribal lives. Of the remainder, 4,000 live in government-controlled settlements, 5,500 in mission stations and about 6,000 are employed on cattle stations or at mining centres.

Soon after the 1951 conference, the Northern Territory Legislative Council passed its own Aborigine Welfare Ordinance. This subsidises education through secondary schools to the university level (only two aborigines have so far graduated from universities) and provides employment training for adults. The Ordinance also provides for the granting of up to \$2,200 to aborigines who wish to establish themselves in business.

Direct expenditure on aboriginal welfare and education in the Territory in 1949-50 was \$300,000. During the last financial year about \$2,200,000 was spent. In the same State 2,000 aboriginal children now attend 15 government and 14 mission schools. Last year three pre-school kindergartens opened their doors to children under five years.

But those who know these people best (their educators and field sociologists) cannot yet visualise young aborigines with educational diplomas streaming into towns and cities to demand more sophisticated jobs.

Today's students must still return to homes, practically all of them sub-standard, where illiterate parents often still abide by remnants of the old tribal life. The competition and individualism of European Australia are totally foreign to the parents of most aborigine students. And it goes without saying that the same parents are likely to be of little help with homework problems.

This is why educators like the missionary from the far northwest, where the aborigines saw their first white man three years ago, are not forcing the pace. But whatever the problems and shortcomings of native welfare in this country, it at last seems reasonable to expect that soon these people will know what it is like to have hope on your side.

The Contract Is the Tie That Binds

by J. D. Morton

IT WAS WELL SAID of nineteenth-century Anglo-American law that "There was no other God but Contract and Sir Henry Maine was its prophet!"

Writing at about the same time as Darwin, Maine had produced a theory of legal evolution. His theory was that law in a primitive society is based on status, i.e. a man's rights and duties are determined by what he is—a slave, a father, a son, a freeman; the evolution towards civilization is characterized by a progress from status to contract: in the contract stage a man's rights and duties are to be determined by what he does and what he agrees to do rather than by what he is.

Roscoe Pound, writing in the twentieth century, has described this contract theory as operating on the basis that "every man of mature age must take care of himself. He need not expect to be saved from himself by legal paternalism . . . if he made a foolish bargain, he must perform his side like a man, for he had only himself to blame. He must be a good sport and bear his losses smiling."

Pound went on to observe of Maine's theory of legal evolution, "The whole course of English and American law today is belying it, unless, indeed, we are progressing backward."

The contract theory presupposes two equal and opposite parties who, if they wish to negotiate an agreement, are in fair bargaining positions. They will, in this theory, settle on terms to suit their special purpose. Nineteenth-century judges were prone to find this equality of bargaining power in situations where, in fact, there was great disparity between the parties. Indeed, the notion that the workingman had great power in his right to work or starve has survived, at least in some American political circles, to the present day.

In the nineteenth century, judges held workingmen to such bargains as to receive their pay in tokens redeemable at the company store on the basis that if they did not like payment in tokens they should not have agreed to work for tokens. Legislation has cured most of the evils of this legal recognition of free enterprise—statutes have prohibited certain of the worst abuses

of power and laid down certain minimum standards.

There are to-day, however, two factors which still militate against free and fair agreement and to which the law is slowly adjusting.

1. *The inability of one party to obtain needed services otherwise than on the terms of the party offering the services.*



Management and Labor: Fair balance?

If we return to the contract of employment entered into by the workingman, we find a dramatic swing away from the legal notion that everyman is, and ought to be, able to strike a bargain that suits himself. The workingman's rights are not determined in the twentieth century by individual agreements.

In the overwhelming majority of cases, the rights, and duties involved in the employment are settled for all workmen by their Trade Union. A man's rights are being determined in such cases not by what he does, but by what he is, i.e. his status as a member of his union.

There can be little doubt that an agreement negotiated on behalf of all workmen in a particular employment is likely to be fairer both to the employer, the employee and the public than would be a series of individual contracts. The law has not been slow to recognize this and has, relatively quickly in terms of evolution, adapted itself to this new process of settling a man's rights and duties.

A new title, "Labor Law", has appeared in the law books and legal

machinery has been set up to assist in the negotiation and enforcement of these agreements based on status. A great deal of effort is being expended in order to prevent abuses by a more powerful party in this new collective bargaining.

In labor-management relations, there is in most instances a fair balance between the power of the parties. This is not true in every area where rights and duties are nowadays determined by status. Another common example of the case where one party needs certain services and cannot obtain them except on the other party's terms is to be found in the field of transportation.

Suppose John Doe wishes to fly from Toronto to Paris. Can he, reasonably speaking, i.e., without building his own plane, fly to Paris on his own terms? Has he indeed any say at all as to the terms of any contract entered into with an airline? He may buy a ticket and go; or he may stay at home.

On the back of the ticket will be found all sorts of conditions relating to the airline's liability and if he buys a ticket he is stuck with these conditions. Furthermore, in nearly all cases, it will not profit him to go from airline to airline in search of better terms because the conditions printed on each ticket will be the same! Once again his rights and liabilities have been determined not by what he does but by what he is, i.e. a passenger.

Here we have a new factor. Only one of the parties is organized collectively and there is a substantial disparity between the power of the parties. In such areas as these, governments have acted to require that conditions be approved by them. It is, however, questionable whether adequate machinery yet exists to give force to the wants and desires of the individual in this area.

The second factor which militates against free and fair agreement may also come into play here.

2. *This second factor is the inability of one party to comprehend the full implications of the terms demanded by the other party.*

The conditions on the back of an airline ticket are in very fine print indeed! Further, conditions of this sort

tend to be in technical and incomprehensible language. Nonetheless, the attitude of the law is that if the party to be bound by the conditions has his attention directed to them and is given an opportunity to understand them, he is bound.

That the courts will insist on, at least, this minimum fair play is exemplified by a recent and very welcome case in Manitoba: *W. W. Distributors & Co. Ltd. v. Thorsteinson et al.* (1961), 26 D.L.R. (2nd) 365.

This was an action by the company for payment under a contract for the sale of kitchen utensils to the defendants. The defendants were mother and daughter and the story commenced when, one day, the daughter received a telephone call from a strange man. She had recently become engaged to be married and the stranger informed her that he had an engagement gift which he wished to present to her.

The stranger was in fact a salesman of the utensil company who had learned of the young lady's existence and forthcoming marriage from a newspaper announcement. In any event, it was arranged that the salesman should visit the young lady's home that evening.

The salesman, accompanied by his manager, arrived at the house at about seven p.m. Two hours later, mother and daughter had signed a contract to buy three items, later independently valued at \$145.95. The contract price was \$342.99!

How had the mother and daughter come to sign such a contract and were they to be held bound by its terms?

According to Mr. Justice Freedman, who delivered the judgment of the Manitoba Court of Appeal, what had happened was this. The salesman, assisted by the manager, gave a demonstration of the cookware. Whenever the daughter tried to ask any questions she was blocked by speedy interruptions.

This high-pressure salesmanship was directed at the daughter; the mother on the other hand was persuaded by what some might call "relaxed salesmanship", but what the Court called "a deliberate act of deception". She was told that they would like to have her name on the contract although "it doesn't really mean anything".

The nature of the salesmanship involved is demonstrated by the fact that within a few minutes of the salesman's departure, mother and daughter realized that they did not want the goods. Next morning, they stopped payment on the cheque and, when the salesman called on them, tried to give the goods back. The salesman would not accept them and the company sued for the contract price. Losing at trial, the company

appealed and lost again, the court holding that:

"The representatives of the plaintiff not only did not provide an opportunity to the defendants to read and understand the contract, but by their tactics of pressure and speed deliberately sought to deny and succeeded in denying such opportunity to them".

Mr. Justice Freedman concluded by holding that it would be "unjust and inequitable" to hold the women to such a contract.

On the other hand, where there has been no attempt to deny an opportunity to read and appreciate the terms, the parties will be bound. That this rule may lead to surprising results is apparent from a comparatively recent Ontario judgment: *Givens v. Baloise M. Ins. Co.*, [1959] O.W.N. 38.

The plaintiff was the named beneficiary in a policy of accident insurance issued by the defendant insurance company to her son. The policy provided for payment of \$3,000 in the case of the son's death in an accident while driving in a motor vehicle. The policy was on one side of a single sheet of paper and clearly marked as a limited policy. Among the exclusions was one which excluded the insurer's liability

"from the insured's use of intoxicating liquor . . . or while the insured is under the influence thereof or affected thereby."

At the time of his death the insured was a passenger in a car driven by another. The trial judge found that the insured at that time was under the influence of alcohol and that the insurance company was entitled under the exclusion to refuse payment.

Two out of the three judges in the Ontario Court of Appeal found that the insurer had ample notice of the limitation and that the mother could not recover under the policy.

I have described this result as surprising as it seems to me that many persons holding such accident policies might, even after reading the condition in question, come to the conclusion that only accidents which occur as a result of the insured's use of alcohol are excluded. True, the words are plain enough once the issue has been raised but there might well be said to be a case for a requirement of full explanation in cases such as these where the contracts are generally in standard form.

Status is involved here as, in the event of a party asking for a narrower exclusion in order, say, to insure against death when being driven home from an alcoholic party by a sober taxi-driver, such coverage might or might not be available from an ordinary insurance company. Generally speaking

the conditions of an insurance policy are determined for general classes of persons and not for individuals and, without recourse to Lloyds of London, an individual may receive only the coverage available to one of his status.

That there is a case for tighter statutory control of insurance contracts in the interest of the individual is demonstrated by the term of the standard fire policy which has been in effect since January 1, 1959, and reads as follows:

"WHEREAS John Doe (hereinafter called the Insured) having paid or agreed to pay the Insurer the amount of the premium herein stated, the Insurer in consideration of the premium stated herein and subject to the terms and conditions hereof, if the property herein described or any part thereof, shall be destroyed or damaged by fire, lightning or explosion of natural, coal or manufactured gas, all as hereinafter provided, will indemnify the Insured against such direct loss or damage, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, to an amount not exceeding, whichever is the least of:

(a) the actual cash value of the property at the time of destruction or damage; (b) the interest of the Insured in the property; (c) the sum set opposite the applicable item below; and subject to any pro rate provision hereof."

Perhaps the italicized words are clear. Do you know what they mean? Late in 1959, a service station operator in New Brunswick had the meaning made clear to him. He had insured his premises for loss by fire to the amount of \$20,000. The premises were subsequently damaged by fire to the extent of more than 50% and by virtue of the local Town Planning By-Laws and on the recommendation of the Fire Marshall, reconstruction or repair was prohibited.

The insured, therefore, claimed for total loss under the policy but by virtue of the words in the new standard fire policy expressly excluding the risk of such a ruling by the local authority, he was able to recover only \$10,000 for the direct damage by fire.

Where rights and liabilities are to be determined by the status of the parties to a standard agreement, surely more care must be taken to ensure that the full implications of the agreement are brought home to each.

The *laissez-faire* concept of individual contract left the door open to exploitation of the weaker party. The status concept will serve us no better unless the law be vigilant to preserve a balance of power between the parties

by D. M. LeDain

Something like this happened in the following.

1.P-K4, P-QB4; 2.Kt-KB3, Kt-QB3; 3. P-Q4, PxP; 4.Kt.xP, P-KKt3; 5.Kt-QB3, B-Kt2; 6.B-K3, P-Q3; 7.B-QB4, P-QR3, 8.P-QR3, B-Q2; 9.Castles,Kt-B3; 10.Q-Q2, Castles; 11.P-KB4, Kt-QR4; 12.B-R2, Kt-K5; 13.P-B5, Q-Kt3; 14.Kt-Q5, BxKt? (with the expectation of 15.KtxQ, BxB); 16.QxB; KtxQ; 17.KtxB, KtxR; 18.KtxR.

by Louis and Dorothy Crerar

ACROSS

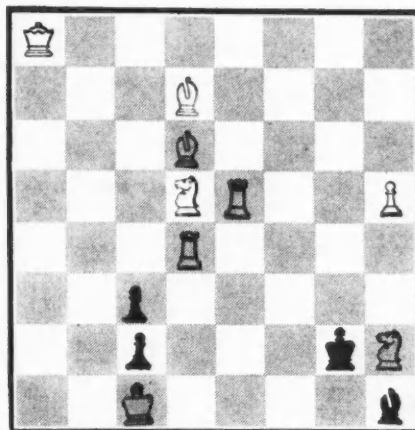
1. 35 Achieve double your purpose, and see the feathers fly
(4, 3, 5, 4, 3, 5)
10 I'm going to bury it in the meantime. (7)
11 See 12
12. 11 It's necessary to take a bath to make the day complete.
(3, 7)
13 See 25
14 Where a man's trunk may sometimes be found in cold
weather? (6)
16 Dined on what was left? You can say that again! (7)
20 But women also grow old in this establishment (6)
23 The bird that gets a rise out of us, and the editor. (6)
24 See 25
26 Colorful feature of 6. (6)
28 Returning fly-by-nights may give one a pain. (4)
31 See 25
33 Change the course when the tour is internally disorganized.
(2-5)
34 It may fool a hen, but a fool would not lay it aside. (4-3)
35 See 1

DOWN

- 2 See 25
- 3 The gait of very small urchins. (5)
- 4 No one is ever henpecked. (5)
- 5 See 25
- 6 Yet certainly not a thievin' bird. (5)
- 7 But this collector of odds and ends has nothing to crow about! (9)
- 8 The little bird whose rest is disturbed, seems quite happy. (7)
- 9 Talks of those French animals 25 should be wary of. (5)
- 15 It's the devil when I have to follow this body of black bodies. (4)
- 17 The birds never had it so good as when he took the road to Oz. (9)
- 18 "Hark, hark, the lark", certainly emphasizes it. (3)
- 19 R and E are, of 16 and 33. (4)
- 21 "... sleeps the crimson petal . . . the white". (Tennyson) (3)
- 22 To make it complete, just add nothing. (7)
- 25 2, 13, 24, 31A, 2, 5. Suggests it's better to bet on a sure thing than to risk double or nothing. (1, 4, 2, 3, 4, 2, 5, 3, 2, 3, 4)
- 27 To do this, one should have a side line. (5)
- 29 Sent over to the east, but not to relax. (5)
- 30 Could one be all set for this? But not one and all. (5)
- 31 It makes a connection between "dead heat" and "not out". (3-2)
- 32 It takes a brave man to view her with nothing on. (4)

Solution of Problem No. 267 (Williams),
Key, 1.R-R4.

Problem No. 268 by W. A. Shinkman.
White mates in two moves. (9+4)



by J. A. H. Hunter

His neighbour, Bill, has a frontage of 120 feet on Tulla Trail, his lot going right through to Logan Lane. Bill's eastern boundary runs due north and south between the two roads, as does their common boundary.

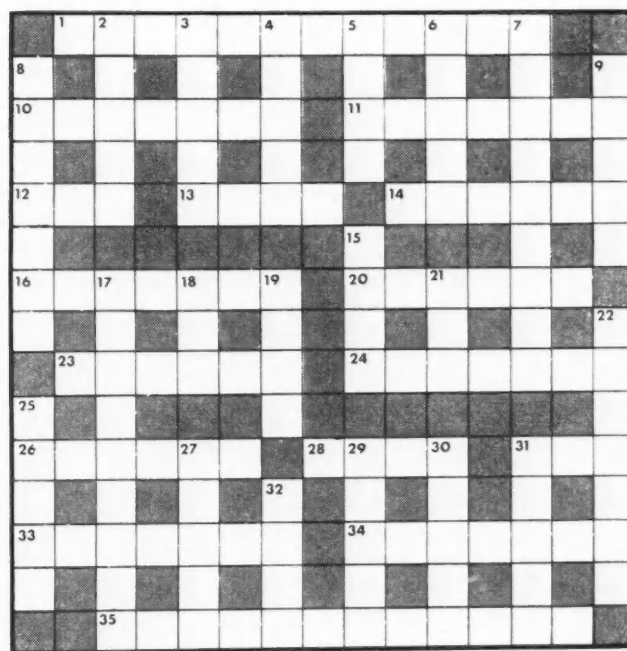
His friend smiled. "You flatter me," he replied. "I'm figuring the cost of a new fence for the far side. That boundary is exactly 120 feet, so it's going to be an expensive job."

Tulla Trail runs due east and west, both roads being straight thereabouts. So what frontage must Bill have on Logan Lane?

Thanks for basic idea to: J. W. Melson, Toronto.

Answer on Page 44.

(150)



Solution to last puzzle

- | | | | | |
|------------------|----|------------|----|-----------|
| ACROSS | 26 | Breslau | 6 | Lehar |
| 1 Rogues Gallery | 27 | Listens | 7 | Romanic |
| 10 Intense | 28 | Quick as a | 8 | Ditty-bag |
| 11 Schemed | | flash | 9 | Edge |
| 12 Tuber | | | 16 | Rehearsal |
| 13 Ignorance | | | 17 | Business |
| 14 Bernice | | | 19 | Rondeau |
| 15 Corn cob | | DOWN | 20 | Spatula |
| 18 Garages | 2 | October | 21 | Cedilla |
| 21 Coheres | 3 | Unnerving | 22 | Reamers |
| 23 Bandstand | 4 | Sterile | 23 | Babe |
| 25 Amain | 5 | Arseric | 24 | Salic |

Films

by Mary Lowrey Ross

Just Talking Things Over

A DOZEN YEARS ago, when television promised to take over the awful burden of mass entertainment, it was predicted that the movies, from now on, had no choice but to improve. Unfortunately it didn't work out quite that way; and after watching a production like *Exodus* one wonders why the producers didn't take a lesson from the fossils and ponder on what happens when a species takes the wrong evolutionary turn.

Look at the brontosaurus, for instance. Instead of getting better and brighter it got bigger and bigger and slower and slower and eventually blundered its way right into extinction.

Exodus is big, all right. It is so big that it can hardly be viewed comfortably from a distance of less than half a block. It is also very, very slow, so that the running time — three and three quarter hours, including fifteen minutes breathing space half way — seems to stretch out interminably. The best part of the production turned out to be the intermission. At least it relieved one from the strain of wondering when something was going to happen.

Something always seems *about* to happen in *Exodus*. Countless lorries and trucks hustle along the winding Palestinian roads, to unknown purposes and mysterious ends. Six hundred Jewish refugees settle down grimly to a hunger strike to the death, and at a word or two from an American nurse (Eva Marie Saint) to the British General at Cyprus (Sir Ralph Richardson) over a plate of *hors d'oeuvres*, they are sent on their way, none the worse for their experience.

There are escapes and pursuits and before anything can be clarified we are back with the trucks and lorries on the winding Palestinian road. Characters plot and intrigue and shin up twelve foot walls — the wall-scaling here is more agile and constant than anything since the days of Douglas Fairbanks — and the end of the adventure usually finds everyone settled down in somebody's room for a good solid discussion on the moral aspects of the moderate approach *vs.* terrorism.

The characters are all immensely articulate and the talk goes on and on, so that there seem to be hours at a stretch when *Exodus* resembles nothing so much as a panel discussion over television on Sunday afternoon.

Early in the picture, someone makes a weary and cynical remark about the parting of the Red Sea. This reference, coming as it did after endless palavers between Eva Marie Saint and Sir Ralph Richardson, between the nurse and the Haganah leader (Paul Newman), between Leader Newman and anyone within earshot, made one think with positive affection of the late Cecil B. de Mille, who didn't hesitate a second over the parting of the Red Sea, and was probably moved as much by his cinematic instinct as by his fundamentalist convictions.

De Mille, who understood perfectly that an ounce of action is worth any number of pounds of polemics, would have arranged some capricious but brilliantly arresting miracle to send his six hundred refugees on their way. It would have been entirely un-historical (though hardly less flagrantly un-historical than most of the events described in *Exodus*) but it would at least have been worth watching.

Director Otto Preminger's problem

here, the familiar one of making everybody happy, was complicated by the fact that he had to satisfy not only the millions of readers of Leon Uris' best-seller, but the sympathizers with the Zionists, the Arabs, the moderates, the terrorists and the British protectorate. Having made up his mind that the latter group, at least, was expendable, he and screen writer Dalton Trumbo obviously decided that the only way out of the situation was to talk fast and keep on talking.

A few spurts of action are thrown in towards the middle and end of all the group-discussion — the blowing up of the King David Hotel, the arrest of the terrorists, their jail break, contrived by the loyal Zionists, and an Arab raid on the Jewish position. The production concludes with a funeral speech delivered at the grave of two of the raid victims. This seemed suitable enough for a production whose tongue, in the homely old phrase, seemed to be hung in the middle and going at both ends.

As the American nurse, Eva Marie Saint looks sad and gaunt and at least fifty feet high (I happened unfortunately to be less than fifty feet from the screen.) Sir Ralph Richardson, as the British General, performs with his usual authority, which is quite a trick since he is called on to appear both pro-Semitic and anti-Semitic as well as something of a humanitarian at heart.

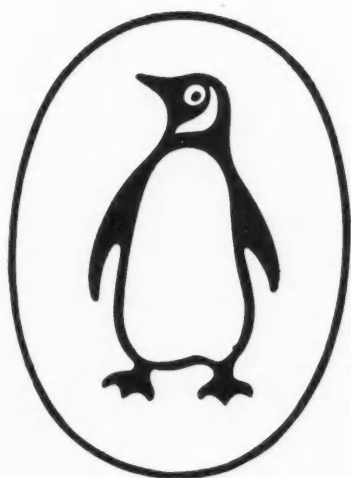
As the Haganah leader, Paul Newman is handsome, stern, energetic and indestructible. You may also be able to identify, among the beards and bur-nooses, Felix Aylmer, Gregory Ratoff, Lee Cobb, Hugh Griffith, David Opatochu and Sal Mineo. None of them is called on for any great flights of acting, but they are dialecticians to a man.



Exodus in "*Exodus*": De Mille would have had an answer.

Books

by Lincoln Spalding



A Penguin Reader's Progress

THOSE ENGLISHMEN who went straight from school into the forces for the Second World War cannot remember a time when Penguin books were not on sale. And this generation now shares its Penguin background with people all over the world, for the firm which put its first ten paperbacks onto the British book market in July 1935, last year sold half its total output abroad — a sale of well over six million volumes. The history of this notable adventure in publishing is now summarised in a handsomely designed, untypically bound Penguin called *Penguin's Progress: 1935-1960*.

Starting with laudatory essays by such eminent hands as Compton Mackenzie and Richard Hoggart, this book goes on to tell the inner workings of the firm, to introduce its top editors and to give a somewhat impressionistic survey of the 25 years in which Penguin has become a readily identifiable symbol in bookstores from Hull to Hong-Kong.

But the real history of Penguins is not in this book, interesting as it may be; it is in the minds of those people who were just becoming intellectually active when the first ten appeared. I saw them for the first time, as did millions of others, on the counter in Woolworth's. They stood out from the usual junk because of their neat design, their plump Penguin imprint (he has,

contrary to his readers, got slimmer as the years have gone by), their cheapness and their obvious merit.

Linklater's *The Poet's Pub* was my first sixpenny-worth and, though I have not read it since then, I remember clearly The Downish Helicon, its bartender who tried to make an Oxford and a Cambridge cocktail (the one light blue and the other, of course, dark) and the ghastly nightmare one character had in which, before she had to rush for the bathroom, she kept repeating to herself "a metre of green is greener than a centimetre of green."

This volume is not, so far as I can find, any longer in my possession. But *Ariel*, Andre Maurois' succinct and telling biography of Shelley, is. Since it is printed on the brownish-grey substance which passed for paper in wartime England, and is villainously bound, I deduce that this was bought later than its original printing in the first ten titles. The only actual survivor from that period is *Erewhon* by Samuel Butler — a volume which, I remember, when it was seen on my desk by the English master, produced a long reminiscence of the ideas current at Oxford prior to the first World War and saved the day for all those who had done no homework.

Fiction was then, as it still is, in orange covers, and to Linklater I added, over the next few months, *The Wallet of Kai Lung* by Ernest Bramah; *The Spanish Farm* by R. H. Mottram; *I Am Jonathan Scrivener* by Claude Houghton and *Lolly Willowes* by Sylvia Townsend Warner. *The Spanish Farm* was a very good war novel and I remember how daring we all, in fifth form, thought the love scenes were, and how we hoped, if we ever got into uniform, as looked most likely, we would find such sweet solace when out of the line.

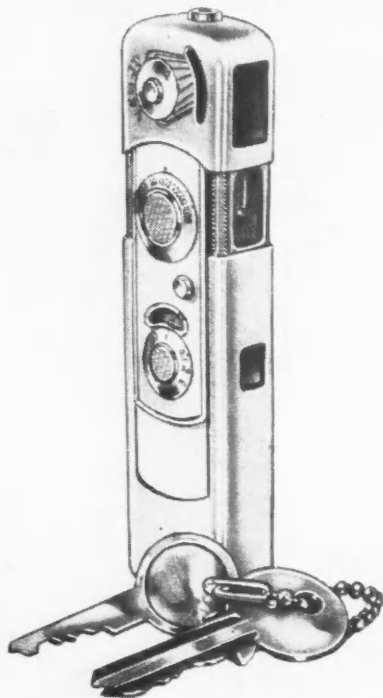
Even in the fifth form, we knew that

war was likely. And what we dimly perceived from the newspapers was made clearer to us by the first Penguin Specials. The very first, published in November 1937, was Edgar Mowrer's *Germany Puts the Clock Back* which put the Nuremberg rallies, the Jewish refugees and the march into the Sudetenland into perspective. Just over a year later, with Czechoslovakia sold down the river, came *What Hitler Wants* by E. O. Lorimer and *I Was Hitler's Prisoner* by Stefan Lorant.

The first of these gave the timetable from *Mein Kampf*, showed how it had been methodically followed, and predicted (accurately, as we soon found out) what would come next. *I Was Hitler's Prisoner* was more sensational and detailed the horrible tortures of Dachau, Oranienburg and other concentration camps. From both it was clear that war was only months away.

During the War I bought few Penguins — I was out of England for most of the time. But some trickled through the Axis blockade in the Mediterranean and many of my still extant copies of *Penguin New Writing* have on them the now quaint little notice: "Leave this book at a Post Office when you have read it, so that men and women in the services may enjoy it too." Obviously thousands of people did this, and the Penguin name became known to millions who might never have otherwise met with it.

By this time, it was clear that fiction was becoming less important on the Penguin list than the informational books — the Pelicans. These had started off well in May 1937, almost two years after the initial Penguin offering, with Bernard Shaw's *The Intelligent Woman's Guide to Socialism, Capitalism, Sovietism and Fascism*. (Yes, I still have my copy — with its preternaturally hideous photograph of



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a nude Bernard Shaw on its dust-jacket flap) and had been backed up by solid works from the pens of G. D. H. Cole, Julian Huxley, Sir James Jeans, Beatrice Webb, Sir Arthur Eddington and R. H. Tawney.

With wartime restrictions lifted, this Pelican list tripled in the time the regular Penguin list merely doubled. No branch of learning has been omitted from this blue-covered series — a series now with well over five hundred titles ranging from such monosyllabic ones as *Education* by W. O. Lester Smith and *Witchcraft* by Geoffrey Parrinder to *The Common Sense of Science* by T. Bronowski and (No. 500) *The Reader's Guide* which is a bibliographical "guide and companion for the general reader."

This latter volume itself shows how Pelican, and Penguins, have succeeded, for among its almost 2,000 select titles in reading lists for such diverse subjects as anthropology, history, music and religion, there are many Pelicans acknowledged as authorities and nowhere else available. For some years now the Pelican list has been not, like so many other paperback series, a list of reprints, but a list of originals, many with excellent illustrations.

Among the well-illustrated volumes on my shelves are an account of the cave pictures at *Lascaux* by Annette Laming, *Pottery Through The Ages* by George Savage, *Glass Through The Ages* by E. Bannington Haynes and *Silver* by Gerald Taylor. But this is only one section of many similar "clusters" of Penguins or Pelicans. For since I paid my sixpence for *Poet's Pub* I must have bought well over a thousand Penguin, Pelican or Puffin titles.

Over a period of a quarter-century many of these have been left in trains, borrowed by friends, given away, lost in a series of moves or otherwise disappeared in what one can only suspect as spontaneous book combustion. What is left is some three hundred and fifty volumes, one or two of which are always "on the read" and many others constantly referred to.

In the past five years, for example, there has been a gradually expanding list on religion, all lucidly, unbiasedly written and including such titles as *The Dead Sea Scrolls* by John M. Allegro; *The Faith Of The Bible* by J. E. Fison and *The Church Today* by Bishop Wand. In addition, in the Penguin Classics series there have been translations of *The Koran*, of the Buddhist Scriptures and, just recently, *The Epic of Gilgamesh* which, in the words of its introduction, fills in details "of the long period which separated Abraham from Noah" — a period which had previously only been known through references in "two of the most forbid-

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There is also a magnificent five-volume anthology — the Pelican Book of English Prose — which gives generous extracts cleverly and interestingly arranged from the great (and less great) writers from 1550 to 1880, the second volume of which, *Seventeenth Century Prose: 1620-1700* is of particular interest; and the fifth volume of which, with extracts from Newman, Mill, Ruskin, Bagehot and Carlyle, shows how directly we are, in the 1960's, the heirs of the 1860's.

Then there are many poetry anthologies, including one of Canadian verse, one of Australian verse, and, published this month, one of New Zealand verse — these three, from countries settled in more or less the same fashion at more or less the same time, make a most interesting comparison.

Add to these Pelicans the group publication in Penguins of ten titles (at various times) by G. B. Shaw, John Buchan, Aldous Huxley, D. H. Lawrence and Evelyn Waugh; add to these the distinguished Penguin Classics, including new translations of The New Testament, Homer, Virgil, Plato, Dante, Goethe and Camoens; add to these the miniature scores of favorite orchestral works; the various Art series, including the monumental, hard-cover, expensive Pelican History of Art; the dictionaries (of quotations, of politics, of ballet, of music, etc) and you have the most distinguished publisher's list of our times.

As Compton MacKenzie says in *Penguin's Progress: 1935-1960*: "The range of reading they offer is incomparable, and except for that lordly History of Art, hardly a volume costs as much as a packet of twenty cigarettes. I do not feel that I can be accused of hyperbole if I salute the silver jubilee of Penguin Books as the silver jubilee of Penguin University."

As a continuing and enthusiastic undergraduate, I agree.

Penguin's Progress: 1935-1960 — Penguin Books — 50¢

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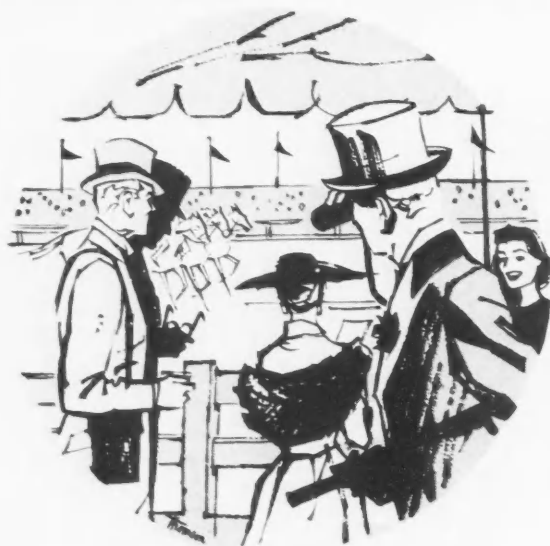


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Medicine

by Claire Halliday

Development of goitre from asthma treatment. Five patients developed goitre, some with the puffy face and eyes of myxedema, from continuing to take potassium iodide over long periods for asthma or bronchitis. When that form of treatment was stopped, both goitre and myxedema receded. This report appears in *J. Clinical Endocrinology* 20:57, 1960.

Headache tablet poisoning treated by sodium carbonate. 38 children (14 to 48 months) acutely ill after having swallowed salicylic acid tablets, were treated with an emetic, an infusion of fluids, and sodium bicarbonate orally or intravenously. All recovered and there were no complications. The series is reported in the *Am. J. Diseases of Children*, May, 1960.

Drug for mental depression relieves other conditions. A doctor reports in the *New York State Med. J.*, March 15, that nardil (originally used to treat depression) relieved angina, asthma, gastrointestinal disturbance, hypertension and some rheumatisms—all conditions reflecting the patient's mental attitude.

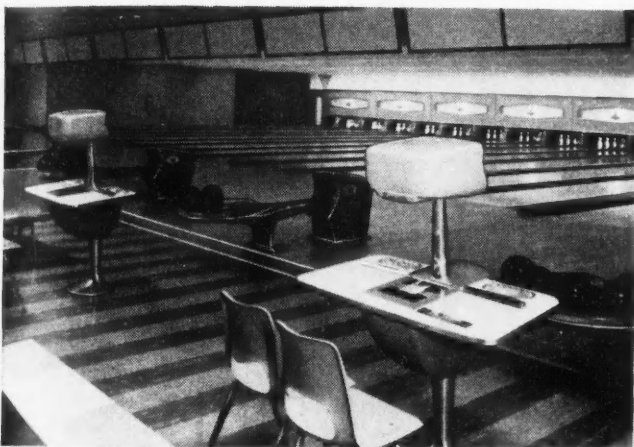
Fingers made out of toes. Dr. M. A. Entin of the Royal Victoria Hospital, Montreal, has replaced amputated fingers and transplanted toe joints to the hands of 6 patients, aged 8 to 68. Dr. Entin claims that the process is not painful and that all the bones healed well. After three years of observation, they are still functioning as fingers with a useful range of motion.

High surgical mortality in elderly unnecessary. An article in *Geriatrics*, February, 1960, states that this is largely caused by delay in diagnosis and treatment. Recommendations to decrease this mortality rate are for the patient to avoid emergency surgery by seeing the physician earlier, and for the latter to avoid delay. A very optimistic report on geriatric surgery appears in *J. American Med. A.* of August 6, p. 1611. Operative risks in the elderly have been greatly reduced by better methods of anesthesia, control of water and electrolytes, blood replacement and the use of antibiotics.

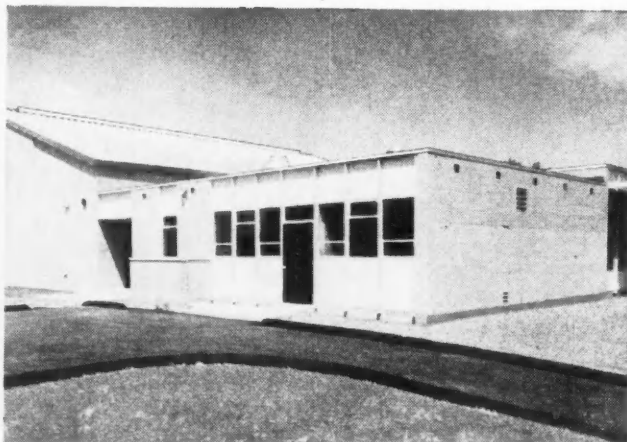
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While only a little knowledge is required to play the market, there is always room for further learning.

What More Can You Ask?

The Stock Market — A New Hobby

by A. L. Stevenson

DISREGARDING some solemn warnings in previous issues of SATURDAY NIGHT, I went into a broker's one morning and bought 50 shares of Python Finance at 102. Before the close of trading I sold at 110. "This is your lucky day," observed the customers' man. I assented politely but was inwardly indignant. Had I not decided what to buy? And when to buy it? And when to sell? Luck be damned.

We were both right. I had chosen a promising stock and I had scented a rising market, but no one, as I had to learn, unkissed by luck could hope to call the turn so well.

Skill spiked with luck: that is what lures people to the bridge table, the trout stream, the golf course — and above all to the stock market. And as the element of skill increases, the element of luck diminishes; what was at first a gamble becomes an indisputable hobby.



Market tips come from many sources.

As with golf, you don't need to know much in order to start to play the game. Having learned the hours of trading, you can begin by following the advice of your broker or the elevator man. But in all good hobbies there is always room for further learning. And acquiring your *expertise* for the stock market is far from dreary; it can, in fact, be ennobling.

Say you have 500 shares of Sporadic Copper. Instead of thinking about the Chicago Cubs or Brigitte what's-her-name as you drive downtown, you are pondering such matters as labor relations in Rhodesia and the attitude of the White House to international trade. "Before you invest, investigate." That is the cry, and so you will want to be informed — or think you are — about a company or an industry before buying into it. You will get to know how many tons of newsprint Canada makes and where it goes, the difference between water power and thermal power and the whereabouts of Moak Lake. Even the mysterious components of monetary theory begin to make a pattern. Friend of mine started in with 200 shares of a junior uranium and ended up by giving lectures on Keynesian economics.

The stock player must have something of the solitary in him because he must keep his trades to himself. Once he tells his friend that he has bought into, say, Associated Pants he has, like

a lady who confesses her past, yielded up something of his freedom of action. He will be a little more eager to snatch a profit, a little less willing to take a loss, because of what Joe will think. And of course the innocent who lets his wife in on his dealings has no business being in the market in the first place.

But though this is a game of solitaire, it has its compensations. If you have to face some losses they only take their place among the assorted cares that everyone has to carry, and defy. But if you are in a position to take a profit, what a sweet, sustaining secret that is — and how mercifully you are spared the demands and expectations that ride on the heels of known gains. Nor is this hobby, unlike some others, a nuisance to one's friends. The ceramist must have someone on whom to foist his ugly produce; the painter cannot forever be hiding his works in his attic; the collector needs his "Ah's" and "Oh's" as a baby needs his vitamins. But the stock trader is independent; if he wants participation he can cash a profit and take some glittering bauble to the lady of his choice.

While stock trading, then, is essentially a game for one player — and it must be played alone at times of decision — it can also, like all proper hobbies, take on some of the aspects of a cult. It has the two essentials:

a language of its own and situations of its own. Golf has its own language — rather, languages, the technical and the expletive — and certainly its own situations. So has painting.

Last week a friend looked reflectively at a picture of his on my wall and said: "I remember that one; I forgot to take my white with me that day." The stock market trader has innumerable expressions like "second preferences", "income debentures", "rights", "warrants", "short sales", "stop loss," which only his fellow practitioners can understand. As to situations, he will have experiences to recount comparable to grand slams and salvation from sin.

You can be sure of the ear of your fellow speculator when you tell him of your market adventures — and if you confine yourself to your mistakes and losses you can make him happy as well.

Lacking in many a life is a sense of progress, and if a hobby is to serve its fullest purpose it will meet that need. The stock trader may not gain in assurance, because the better he learns how to navigate the more he becomes aware of the reefs and shallows. He will, however, have the scholar's joy in knowledge gained and, barring catastrophe, that more tangible evidence of progress — a growing pile of gold. The golfer cannot hit the ball farther year after year but the speculator may forever hope to extend his reach, his understanding and his gains.

A man must be very old — sans eyes, sans teeth, sans everything, in fact, but money — when he no longer can say, "Buy me a hundred C.P.R." And if the love of money is the root of all evil it is also a love which survives other passions and addictions. A distinction is to be drawn, of course, between the love of money and an interest in the stock market, but they do have a likeness, if not kinship, in their ability to endure through a lifetime. There is no retirement age for the stock market operator. His hobby will never let him down. He has nothing to fear but his own ineptitude. There is a secondary virtue in the fact that this hobby can be followed to

the grave. It is a sure way of keeping up an interest in what is going on in the world. While the horizon of your aging woodworker extends little beyond his own shavings, your man of stocks and shares is following happenings of every sort, from the rainfall in Brazil to the sex life of the sockeye salmon.

There are, of course, special hazards for the older speculator: he will be stubborn, he may look with suspicion on things that are new, he may even have pets among his holdings. Other hobbyists may indulge in sentiment; it does not matter if the collector lavishes a kind of affection on the gems of his collection, and the fisherman's eye may justly kindle when he tries the balance of his favorite rod. Unfortunately, the share buyer may not indulge himself in this way. His pets can turn and rend him. The day he thinks of Empire Telephone as "Good old E.T." is the day he should strike it from his list. He may, of course, give way to sentiment provided he does it in retrospect, like a prudent bachelor. It will do him no harm to sigh away an evening over his monthly statements of yesterday. "That lovely Amalgamated Sinks," he will whisper. "Why did I let her get away?"

If the market can entice old men from the chimney corner, it can also prove a distracting mistress to men young enough to know better. It may take a definite act of will to treat this hobby as a hobby. If the enthusiast lets himself go his day can be something like this: he ruffles through the morning paper to scan the closing prices of the day before and search out any news with a bearing on his holdings; up to ten o'clock he is wondering if he ought to place any orders before the opening; after ten he wonders if the opening was weak or strong and about eleven he phones his broker to find out; a good part of the lunch hour is spent staring through tobacco smoke at a moving strip of quotations; later he finds time to bring his account up to the minute and see how much his net worth has changed; the evening paper means quotations again, and relaxation after dinner consists of an hour or two with a financial weekly.



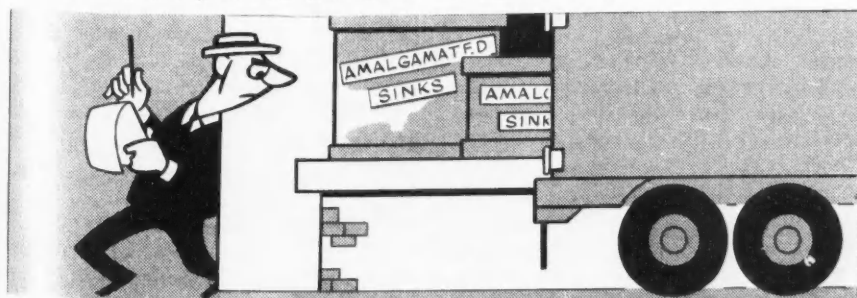
Market shifts governed by rainfall.

Week-ends, with the exchanges closed, are dreary times to be lived through with the help of golf and family duties; distressing in the extreme is the prospect when a national holiday falls on a Monday.

The similarity with the clutch of alcohol is obvious, and the remedial action is the same. First the victim tries to gain control through self-imposed rules; if that cannot be made to work there is no choice but to be done with dalliance and give the thing up completely. What are the self-imposed rules that should be tried? That depends on the individual, of course; I know a man who makes it a practice never to enter a board room or ask for a quotation without having a specific trade in mind.

One of the things which distinguishes the true hobby from recreation of other sorts is that in following his hobby — whether it be in the field of learning or creating or collecting — a man is his own boss. In their work-a-day lives most people have to take orders; either that, or they are making the adjustments, compromises and concessions that go with business and professional life. That is why the doctor or the lawyer must have a hobby in which he can make mistakes without involving others, and the wage earner, of any level, must be subject to no direction but his own. Stock trading meets both of these tests, but is particularly suited to the individual who feels submerged in organization. When such a man first says, "Buy me a hundred Phoenix Airlines at the market, Mr. Jones," he has entered into rich living.

He who accepts that challenge will do his own thinking, will balance safety with the calculated risk, will neither bemoan his losses nor exult in his gains. Sometimes he will jab at the market like a boxer sounding out his opponent, sometimes he will march in with everything he has. But he will never forget that he must be at the same time be in the game and removed from it — involved, but objective. For such a man it is a hobby that can possess the mind and stir the pulse. And what more can he ask?



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**THE CANADIAN
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Dividend No. 297

NOTICE is hereby given that a dividend at the rate of forty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending April 30, 1961, payable at the Bank and its branches on May 1, 1961, to shareholders of record at the close of business on March 31, 1961.

By Order of the Board
J. P. R. Wadsworth
General Manager
Toronto, March 17, 1961

Gold & Dross

Bell Telephone

Do you recommend a purchase of Bell Telephone, or its retention if already held? While the recent rights soon expire, could you enlighten me as to the correct basis for evaluating rights as a guide to future rights on Bell and other stocks? If an American held Bell, would he lose the benefit of the rights because of subscriptions not being accepted from U.S. residents? — L.S., Montreal.

(1) A qualified "yes" to both questions. Bell is an attractive vehicle for anyone buying or holding for income plus chances of longer-term appreciation and prepared not to panic if recent levels do not hold.

(2) The formula for evaluating rights is to take the market price of the stock and from it deduct the subscription price. The remainder is then divided by the number of rights required to subscribe to one new share, plus one. For the benefit of readers to whom the procedure is new, we might add that the shareholder receives one right for each share held.

When Bell was selling at \$49, the rights to subscribe to new shares at \$38 on the basis of one for each 10 held were selling at \$1. This was established by deducting \$38 from \$49, leaving 11 and dividing 11 by 10 plus one, or 11. There could, of course, be fluctuations from the theoretical value of \$1 by reason of there being more sellers of rights than buyers, or vice versa, but this disparity would not get very far before being checked by its influence on the buying and selling of the shares themselves.

The reason for the divider formula consisting of the number of rights required for one new share plus one is to compensate for the fact that the new shares do not carry rights and therefore are worth less than the stock already issued.

(3) Since the Bell offering under rights was not registered with the Securities & Exchange Commission in the U.S., subscriptions from residents of the U.S. could not be accepted. But the American shareholder would receive his rights and could negotiate them. He could sell them and pocket the proceeds, or he could use them to offset a purchase of the stock ex-rights.

He could buy the same number of shares, say at \$48 ex-rights, to which his rights would have entitled him to subscribe. If he held 100 shares, he sold 100 rights at \$1, or for \$100, then used this as an offset on the purchase of 10 shares at \$48, or \$480. He thus paid out \$380 plus commissions for 10 shares of new stock.

Ryan Gold

Please furnish all the information you have on Ryan Gold Mines.—C.L., Toronto.

Ryan Gold Mines Ltd. is an unlisted mining company, and its chief asset is a 40% interest in, or 400,000 shares of, Rycon Mines, a producing gold mine controlled by Consolidated Smelters. Rycon must be taken seriously for, while control by Smelters does not guarantee its future, it at least provides competent management and the following up of worthwhile clues as to ore deposition.

Rycon had a profit in the year ended April 30, 1959, of 41 cents a share, which would mean that Ryan's share was \$160,000 or somewhat less than 30 cents a share on its own outstanding 518,000 shares. There may be a market for the stock in the west since that is the locale of the head office.

Cons. Mosher

Is it possible for you to review the Cons. Mosher situation, giving details as to prospective production, earnings and dividends?—M.F., London.

While there are many variables in the Cons. Mosher picture, it is possible to obtain a general view. The property is being prepared for production under an arrangement whereby Mosher ore would be treated by MacLeod-Cockshutt at cost plus 10 cents a ton. Output of 2,000 tons a day is envisioned and on this basis operating profits are estimated as about 35 cents per Mosher share.

Officials have discussed an objective of paying out a minimum of two-thirds of net income in dividends after a satisfactory financial position has been reached. The preparatory program for production was begun with \$500,000



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Thirty three and one third cents (33 1/3c) per share payable May 15, 1961 to shareholders of record, April 19, 1961.

NO PAR VALUE
COMMON SHARES
DIVIDEND NO. 215

Twenty cents (20c) per share for the quarter ending March 31, 1961 payable May 25, 1961, to shareholders of record, April 14, 1961.

R. R. MERIFIELD,
Secretary.

Montreal, March 22, 1961.

in the treasury and it is thought this amount will be adequate for the job so there shouldn't be any debt to liquidate before getting in the clear. Dividends will thus depend importantly on policy with respect to depreciation, etc.

New mines enjoy a three-year period of tax exemption, and for that period operating profits and net profits are one and the same thing. But for the sake of presenting a true picture of the attrition of assets which their use necessarily involves, most companies will make some provision for write-offs during the tax-free period. This could bring net profits down to a greater or less degree from their ostensible equality with operating profits, and considerably influence dividend policy for the first three years.

We caution mining speculators against too statistical an approach. The thing is to be in a live property, and you never know what the drills and drifts will hit. This is what has made Canadian mining a favorite of the speculator.

Jockey Club

I am seeking your opinion on Jockey Club shares.—H.J., Kitchener.

Jockey Club shares are a low-priced speculation on the extent to which the people of Ontario and Western New York will continue to support the sport of kings and/or subsidize the improvement in horse flesh by patronizing the Toronto and border race tracks.

The price of Jockey Club shares is low although not necessarily on the bargain counter and the buyer might eventually work out with a profit. In the meantime he should be prepared to see the value of his holdings fluctuate with the weather (both economic and race-track).

Steep Rock

Would you advise the investor to follow strength in Steep Rock in the hope of it commencing dividends soon? — B.R., Halifax.

While long-term speculative attractions exist in the Steep Rock situation for the investor who has much patience, its dividend prospects are properly viewed in the light of any possibility of an increase in the tempo of North American steel operations. The non-dividend status would appear to make the issue vulnerable in a weak market, although the far-sighted could take advantage of this to acquire a holding in an interesting iron-mining project in North-western Ontario.



British Canada's First Unofficial Coin ...



After Canada was ceded to Great Britain in 1763, little effort

was made to supply North American currency. In 1815, Sir Isaac Coffin, holder from Great Britain of the freehold of the Magdalen Islands, issued his own copper pennies—the first unofficial coins circulated in British Canada.

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Canada's first real money, in the form of bank notes, was issued by the Bank of Montreal—Canada's first bank—when it opened its doors for business on November 3, 1817. Later, the bank provided copper coinage. With the passing of the Currency Act in 1841, B of M coins became recognized legal tender of Canada.



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IMPERIAL BANK OF CANADA DIVIDEND NO. 283

Notice is hereby given that a Dividend of Forty-five Cents (45c) per share has been declared for the quarter ending 30th April, 1961, payable at the Head Office and Branches on and after Monday, the 1st day of May next, to shareholders of record of 31st March, 1961.

By order of the Board,

H. W. THOMSON,
General Manager.

15th March, 1961.

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Saturday Night

covers the broad field of the modern Canadian business and professional man's interests, both in economics and in national and international affairs.

Earnings dipped in 1960 to 64.2 million or 52 cents a share from 81.13 the previous year, but management regards results as highly gratifying in view of their being achieved during an exceedingly difficult period in the steel industry and during a general business recession.

Steep Rock in 1960 shipped 1.6 million tons for its own account while Caland Iron Ore, a subsidiary of a major American steel company, which leases some of the claims, shipped 750,000 tons, providing Steep Rock with a new source of royalty income. Production schedules had called for eventual shipments of 5.5 million tons annually from the company's own mines plus 3 million tons from the section leased to Caland.

Since the commencement of mining several years ago, Steep Rock has realized total profits of more than \$60 million from the sale of 24 million tons of high-grade iron ore, and all of this has been re-invested in the property. Outstanding are eight million shares. Funded debt totals almost \$20 million while working capital is \$8.5 million.

Queenston Gold

Please analyze Queenston Gold as an investment.—S.W., Downsview.

Queenston Gold Mines is an inactive gold property in the East Kirkland Lake gold area, for which a revival could be anticipated under more favorable conditions for gold mining. Apart from indications from former work, the company is entitled to some consideration by reason of being identified with a group which already has had some success in the area, hence could be expected to conduct an expert valuation of any fresh clues as to ore disposition.

The stock could be retained as a long shot by any one prepared to put it away against the day when gold-mining conditions improve.

Mindustrial

How are the companies which Mindustrial controls doing? Should I buy Mindustrial?—A.G., Acton.

The companies in which Mindustrial holds interests appear to be doing well. Yet over the longer term we would prefer a larger corporation as an investment because of its greater measure of ability to integrate and to conduct profitable operations in phases of enterprise requiring capital formations which are only within the range of the large organization.

Ogilvie Milling

How do you like Ogilvie Milling? It holds a lot of high-class investments such as Cons. Smelters.—C.M., Halifax.

What Ogilvie is to be regarded as a blue chip, you might alternatively consider something which is an operating company exclusively. The extent of Ogilvie's investments superimposes upon its manufacturing status the character of a closed-end investment company, a species to which investors are often allergic.

A direct participation in Cons. Smelters rather than via Ogilvie might warrant consideration.

Speculative Preferreds

Do you recommend preferred stocks over bonds? What about relative safety? Are there any speculative preferreds with possibilities of capital gain?—H.T., London.

It is impractical to discuss the attractions of one type of investment against another in generalities. There are bonds on which the margin of interest coverage by income is thin; and preferred stocks where dividend coverage is substantial. Also vice versa. Two speculative preferreds you could look at are Int. Utilities convertible and John Wood A.

In Brief

Should one buy San Antonio as a speculation?—K.R., Winnipeg.

Future dependent upon results of development on Forty Four Section.

Has the Sullivan group saddled a winner in the Solbec copper property?—M.F., Ottawa.

Small mine indicated; outlook improved by copper prospects.

What is the status of Murray Mining?—G.G., Halifax.

To receive extensive exploration in Ungava this year for asbestos possibilities.

How do you regard Utica Mines Turkish venture?—D.O., Winnipeg.

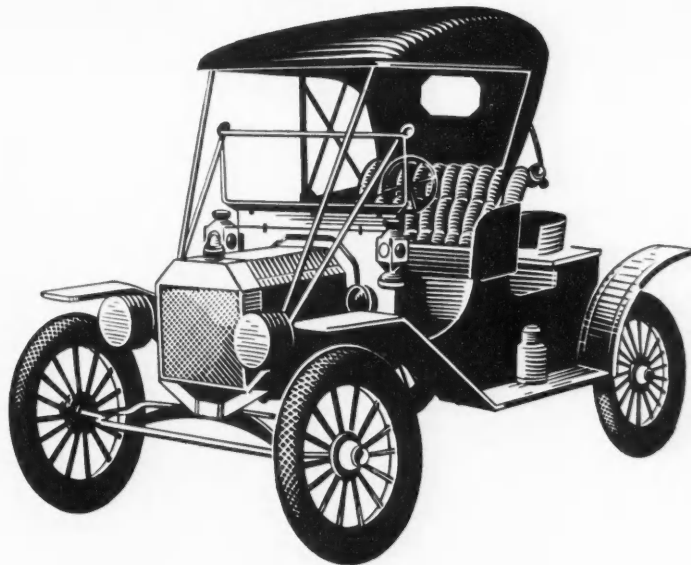
Somewhat unable to comment on offshore mining exploration.

Did Chiboug Copper find anything of importance?—R.M., Vancouver.

Work on ground adjoining Opemiska failing to locate an orebody but more possibilities are to be investigated.

What mining company is the largest dividend payer?—T.F., Saskatoon.

International Nickel.



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More Concerning Automobile Accidents

In Point of View [SN Nov. 18] D. G. Dainton makes the bland assumption that a man, simply because he has paid \$5,000 for a car, will always drive it with prudence and consideration.

This is the silliest statement that I have read since cancelling my subscription to *Time*.

JOHN C. BLACKBURN
BURLINGTON, ONT.

The article by Dainton is one of the most ridiculous stories I have ever read. It is built on a false premise or a series of false premises.

In the first place old beat-up cars do not cause a higher ratio of accidents than the average car.

A few, too few, look upon their car as an investment of which they are proud and those who do frequently regard the machine of ancient vintage with greater care and affection than the new vehicle.

A reliable man, whether he drives an old car or not, is the man with the fewest accidents — the age of the car makes little or no difference.

Among the young drivers it's the boy with the new, racy, sports machine who figures most frequently in the worst and most costly accidents. The lad who drives an old car, and is able to afford nothing better, exercises much more care than his better-off brother, for he wants to continue driving.

"One way to stop him and that is to bar him from driving a cheap car." What stupid nonsense! The machines which are being smashed up on the road are not the old cars but rather the better ones.

Any car is second-hand the day after you get it home and it is not hard to find some five-year-old cars safer than some one-year-olds.

We agree that it can't be right to kill and maim people and we also agree that it can't be right to trot out such spurious arguments in a wild and irresponsible attempt to pin the blame where it doesn't belong.

VANCOUVER W. HARRY COLCLOUGH

I firmly disagree with Dainton on the subject of young drivers with old cars. I feel that he has condemned a large group with a single sweep of his pen.

The fact that a college student or a

young clerical worker has a low income does not imply that he is irresponsible. Young drivers may well be solid citizens in the making. Old cars may represent greater efforts on the part of their young owners than Cadillacs do to men of twice their age. Dainton could just as well have suggested the removal of drivers over the age of 35 because their reflexes have begun to slow.

The only test of car ownership which should be recognized is one of personal maturity — one that has yet to be devised. If Dainton would devote his time to creating this test instead of swinging his editorial cudgel, he might help to cut our accident rate.

LENNOXVILLE, QUE. PETER BRIGG

D. G. Dainton gives his views on how to reduce automobile accidents. It is too bad he did not check his facts before rushing into print.

The first fact is that less than 0.4 per cent of accidents are caused by the mechanical condition of vehicles involved, and malfunction of mechanical parts occur on cars of any age. (Think of how often you had your last new car in to the dealer for warranty service.)

The second fact is that cars of two years of age or less are involved in 50 per cent of major accidents. When late model cars have an accident it is usually a real smash. Older cars have scraped fenders and other small mishaps.

I have worked in a very large auto dealership for the past ten years, and have seen thousands of wrecks towed in. By asking questions as to how the wreck occurred, I have come to the conclusion that there is only one time that the older cars cause accidents, that is when the driver of a late model cannot bear the affront of an old car ahead of him on the road, and tries to pass when it is not safe to do so.

Young men have more than their fair share of accidents, the same as they had more than their share of duels in an earlier age. But they do not have these accidents because of driving old cars. In Vancouver most young men who have a car, have a better one than their fathers. They not only have a

good car, but have it modified to get more speed out of it. They take great pride in their car, and would rather do without a car than drive a clunker.

How would Dainton define an "old" car? Which is the "older" car—a 1960 taxi with 92,000 miles on it or a well-kept 1950 model with 46,000 miles on it?

The answer to accidents caused by mechanical failure is not to measure a car by its years on the road but by its condition. Thorough compulsory testing of cars at regular intervals such as is done in Vancouver is the better way.

In BC drivers are also tested for ability to drive a car. What we need is a test that will determine whether or not they will use this ability. Will they drive when they are drunk? Will they think of driving, and driving only, while operating a car? Will they get annoyed at some other driver for some imagined insult, and try to repay in kind, thus causing an accident?

By observation, it is my opinion that there are two classes of drivers who are above average in safety. First is the very rich man who can afford to buy a new luxury auto whenever he feels inclined to. He does not have to prove he is a big shot and he acts accordingly. Second is the man around 45 years of age who has money to buy a new car, but knows that a car 10 years old, if well kept, will get him where he wants to go as safely as a later model. He drives any car that is reliable, not feeling the need to show he has money in the bank.

The most accident-prone class is the man who is no longer a youth, has a fair job, but is just able to keep his head above water financially speaking. He is the man who has to have the current model car to show that he is successful even if he doesn't believe it himself. He knows that he should not get farther into debt but he lacks the will power to resist. In traffic situations he acts in the same irresponsible manner and an accident is the result, and another \$5,000 car is towed in.

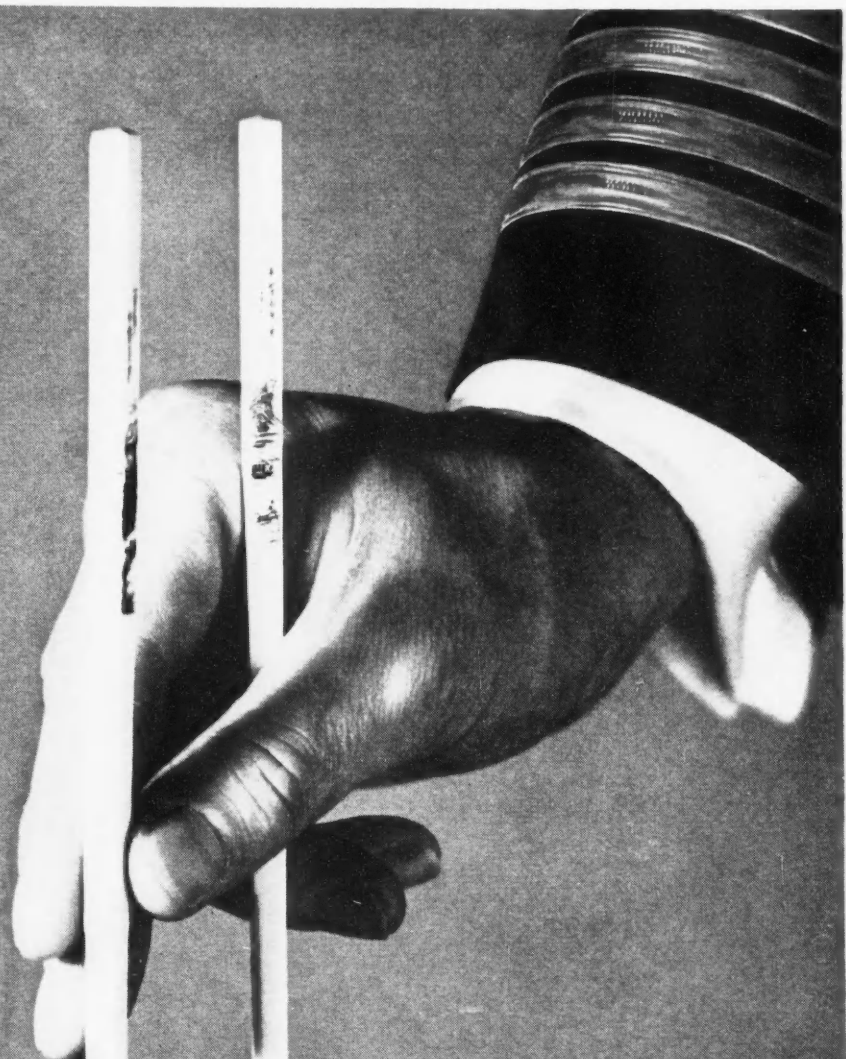
As to stimulating the sale of new cars by getting used ones off the road, will Dainton buy a new car if he cannot trade in his old one?

Another point: during the war when new cars were not available the accident rate went to its lowest point in years.

RICHMOND, B.C. FRANK E. SMITH

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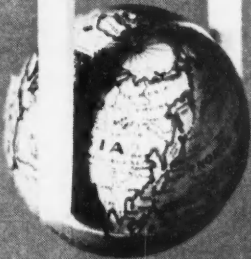
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